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ABSTRACT

The performance of Florida's Workforce Development Education Program was reviewed. The following were among the data considered: (1) data on program enrollment, program completion, and earnings; (2) data on workforce programs provided from 1992-1993 to 1998-1999; and (3) the 97 responses obtained in a telephone survey of 418 Florida businesses (response rate 23%). Florida's workforce programs provided between 1996-1997 and 1998-1999 produced higher employment rates and higher average beginning wages for program completers than in previous years. The improved rates were attributed to a strong economy and to the actions taken by community colleges and school districts in response to legislative initiatives linking performance to funding. The following were among the recommendations to Florida legislators: (1) require local providers to justify providing programs with low completion rates; (2) require a more timely process for identifying new and emerging occupations; and (3) amend the funding formula to provide consistency in performance awards over time. (Twenty-four exhibits are included. The following are among the items included in the 10 appendixes: information about the study methodology; information about performance-based funding versus basic program funding; a comparison of community college and school district adult certificate program performance within workforce development regions; and information about performance-based funding used by other states.) (MN)

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Program Review

Workforce Development Education Program
Florida Department of Education

Report No. 01-56 November 2001

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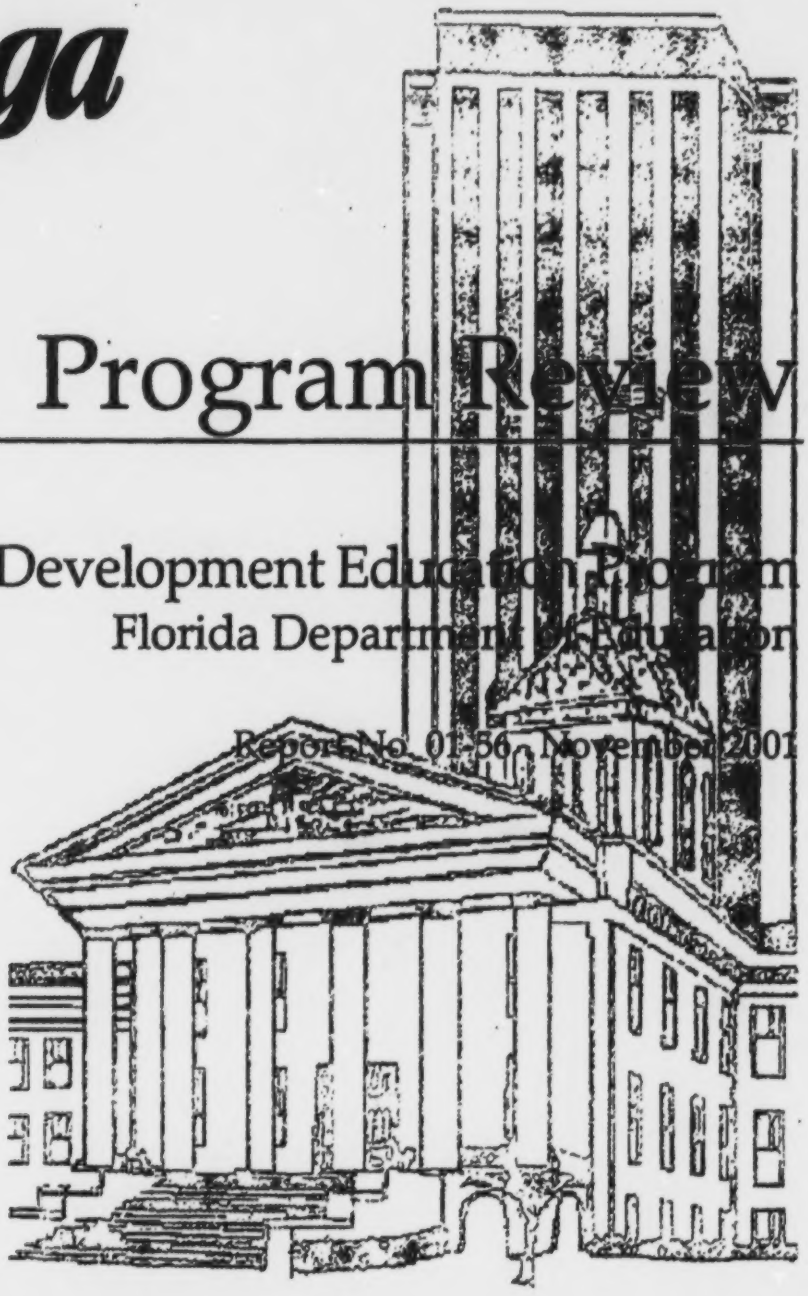

Program Review

Workforce Development Education Program
Florida Department of Education

Report No. 01-56, November 2001

Office of Program Policy Analysis and Government Accountability

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The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY

John W. Turcotte, Director

November 2001

The President of the Senate,
the Speaker of the House of Representatives,
and the Joint Legislative Auditing Committee

I have directed that a review be made of the Workforce Development Education Program administered by the Florida Department of Education. The results of this review are presented to you in this report. This review was made at the request of the 1997 Legislature in Ch. 97-307, *Laws of Florida,* and s. 239.115(12), *Florida Statutes.* Dorothy Gray, Steve Harkreader, and Deborah Wagar conducted this review under the supervision of Jane Fletcher.

We wish to express our appreciation to the staff of the Florida Department of Education, school district technical centers, and community colleges for their assistance.

Sincerely,

John W. Turcotte
Director

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Executive Summary

Program Review of the Workforce Development Education Program

The performance of the state's Workforce Development Education Program has improved in recent years. Workforce programs provided between Fiscal Years 1996-97 and 1998-99 produced higher employment rates and higher average beginning wages for program completers than in the previous four years. (It is not yet possible to assess the program's performance in more recent years because it takes several years for students to complete workforce education programs and gain employment history.) Improved employment rates and increased earnings can be attributed to a strong economy in recent years and to actions taken by community colleges and school districts in response to legislative initiatives linking performance to funding. The Legislature should consider actions in four areas to ensure continued improvement in workforce education programs:

- require local providers to justify providing programs with low completions;
- require a more timely process for identifying new and emerging occupations;
- amend the funding formula to provide consistency in performance awards over time; and
- consider several controversial issues before amending the dual delivery system for workforce education programs.

Purpose

Section 239.115(12), *Florida Statutes*, directs OPPAGA to review the state's Workforce Development Education Program and to base its review on source data at the community colleges and school districts. [1] As directed by law, we based our examination on program completion and job placement data reported by community colleges and school districts and data on employment outcomes from the Florida Employment Training Placement Information Program maintained by the Department of Education.

[1] Section 239.115(12), *F.S.*, also requires the Auditor General to conduct an annual audit of the Workforce Development Education Fund. The Auditor General conducted an operational audit of the fund in 2000. See Report No. 01-136 at http://sun6.dms.state.fl.us/audgen/pages/list0001page.htm.

Background

Postsecondary workforce development education programs are an integral part of Florida's workforce development system and are designed to meet the demands for a trained workforce in occupations that require skills beyond a high school diploma, but do not require a four-year degree. Community colleges and school districts provide an array of workforce development programs, such as degree and certificate programs and adult general education, based on community needs and local labor market demands.

Florida has a dual-delivery system for its postsecondary workforce education programs. Both delivery systems (community colleges and school districts) provide an array of programs based on community needs and local labor market demands. Community colleges provide more job training programs to meet workforce demands for highly skilled workers with one-third of the students in associate in science degree programs. School districts provide more short-term job training programs for occupations that require low to medium skill levels. School districts also provide more adult education/literacy for individuals with low English-language and/or academic skills that prevent them from entering the job market or from moving out of low-wage jobs. Exhibit 2 shows the distribution of the 874,791 students enrolled in the workforce development education programs in 1998-99.

In recent years, Florida's Legislature created several initiatives, such as the performance-based funding formula, which tie performance to funding for workforce development programs. Two other initiatives that tied funding to performance were the Performance-Based Incentive Program for community colleges and school districts to train students for occupations in high demand in Florida with added incentives for serving disadvantaged populations, and performance-based program budgeting incentives for community colleges based on workforce program outcomes such as the number of completers and average completer wages.

Program Benefit, Employment, and Performance

Program performance

The state's workforce development education system provides programs that are useful to industry and help students achieve economic self-sufficiency. Performance has improved in recent years. Workforce programs provided between Fiscal Years 1996-97 and 1998-99 produced higher employment rates and higher average beginning wages for program completers than in the previous four years. Improved employment rates and increased earnings can be attributed to a strong economy in recent years and to actions taken by community colleges and school districts in response to legislative initiatives linking performance to funding. To ensure continued program improvements, issues need to be addressed such as low overall completion rates, training programs for new and emerging occupations, and consistency in performance awards over time.

Student performance. The state's workforce development education system provides programs that are useful to industry and help students achieve economic self-sufficiency. However, completion rates in these programs are low—27.2% of the students who entered workforce education programs during the 1995-96 school year completed a program. Completion rates ranged from an average of 17% in community college associate in science degree programs to 47.8% in community college adult vocational certificate programs. Community college program completers earned more on average than school district completers, which is due, in part, to the different populations served by the two systems.

Program performance. Between 1996-97 and 1998-99, workforce programs improved their performance. The programs increased employment rates and average beginning wages for program completers. Performance improvements have resulted from actions taken by community colleges and school districts in response to legislative initiatives linking performance to funding. In workforce regions where both school districts and community colleges provide adult certificate programs, the districts produced more completers while community colleges had higher average completers per program and higher average earnings for completers.

The number of completions is one indicator of program success along with other factors such as the earnings of program completers and the proportion of completers who are employed. Workforce development programs (such as law enforcement and correctional officer, patient care technician, and early childhood education) that produce high numbers of completers are typically a good return on the state's investment of workforce funds. Economies of scale are possible when programs have large numbers of completers. Programs that produce few completers statewide may be a poor investment of workforce funds, because it is difficult to justify the cost of facilities and instruction for those programs. Community colleges and school districts have taken actions to reduce the number of programs with low completions by (1) combining similar programs, (2) developing occupational completions points to capture the points where students enter the job market, and (3) eliminating programs that do not increase completions.

We recommend that the Department of Education continue to encourage local community colleges and school districts to improve program performance by requiring them to justify providing any program in which fewer than 25% of the students complete the programs and any program that produces fewer than five completers statewide. When local providers cannot show these programs are providing benefits that exceed the costs of providing the program, the Department of Education should no longer include these low-performing programs when allocating workforce development funds to community colleges and school districts.

Business needs. Florida businesses are generally satisfied with the quality of training that their employees receive from the workforce development education system. However, they would like to see more hands-on and practical experience that would make employees more "job ready." They believe that the increased use of apprenticeships and internships would help in this initiative. In the information technology field, business representatives appealed for the more timely development of programs to meet the increasing need for high technology graduates.

We recommend that the Department of Education continue developing a more timely process for identifying new and emerging occupations through the Workforce Estimating Conference and work with local community colleges and school districts to assist them in responding to local workforce demands. We also recommend that the department encourage community colleges and school districts to work with their respective high-skills/high-wage committees to identify and develop internship and apprenticeship programs needed by the business community.

Funding formula

Florida has taken the lead in transforming the workforce development education funding process from a system based on the number of

students served to one based on performance.[2] In order to implement the funding formula, administrators have found it necessary to make significant changes in their program offerings, as well as in their method of gathering and reporting data. In the course of making these changes, administrators have identified concerns with the funding formula. Department officials reported that they are working with local providers and the Council for Education Policy Research and Improvement to make adjustments to the formula so that it more accurately reflects true performance.

Our recommendations follow the revisions proposed by the department. We recommend that a standard value per point be established with a hold harmless provision in the event that earnings generated under the formula exceed legislative appropriations in any particular year.

The 85% base workforce development education funding was calculated based on the programs provided by community colleges and school districts when the system started performance-based funding in 1997. According to local administrators, the base funding allocations no longer reflect their current slate of workforce development programs. We recommend that the Legislature incorporate input-based funding factors (such as teacher hours or the number of students served) to help ensure that local providers receive funding that is suitable for the types of programs being provided and the level of students being served. We recommend that the Legislature require the department to use these factors when allocating the 85% base to provide a better match between program effort and overall funding.

Because the formula changed substantially between the first and second years of implementation, we were unable to determine if performance improved in the second year. The department expected that changes to the formula would occur since the first iteration of the formula was prepared using completion and placement data that had been submitted by school districts and community colleges prior to the enactment of the Workforce Development Education Program Fund. Department officials have worked to make the data between the school districts and community colleges as comparable as possible.

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[2] Grubb, W.N.; Badway, N.; Bell, D.; Chi, B.; King, C.; Herr, J.; Prince, H.; Kazis, R.; Hicks, L.; and Taylor, J.C. (1999). *Toward Order from Chaos: State Efforts to Reform Workforce Development Systems* (MDS-1249). Berkeley: National Center for Research in Vocational Education, University of California.

So that the formula can be used to evaluate performance, we recommend that the Legislature direct the Department of Education to limit further revisions to the funding formula, once necessary adjustments are made. The ability to apply the formula consistently from year to year will allow for the longitudinal analysis of workforce programs.

In the next funding year, the Legislature should consider establishing a portion of the workforce development funds separate from the performance funding formula. These funds would be used to provide incentives to school districts and community colleges to accomplish policy objectives, such as rewarding more completers in needed program areas.

Governance

There is an ongoing controversy concerning whether workforce development programs should be offered only by community colleges. Community college proponents cite the different missions of the two systems and numerous efficiencies associated with such a consolidation, while the school districts note the success of the current program, the nature of the students served by school districts, and costs associated with consolidation. We discuss several issues that should be considered prior to making a decision concerning whether to consolidate postsecondary workforce education programs.

Agency Response

The Commissioner of Education and the Interim Chancellor of the Florida Community College System provided written responses to our preliminary and tentative findings and recommendations. (See Appendix J, page 78, for their responses.)

Chapter 1

Program Purpose and Background

Purpose

Section 239.115(12), *Florida Statutes*, directs OPPAGA to review the state's workforce development education program and to base its review on source data at the community colleges and school districts. As directed by law, our examination is based on program completion and job placement data reported by community colleges and school districts and data on employment outcomes from the Florida Employment Training Placement Information Program maintained by the Department of Education. Specifically, we researched the topics noted below.

- Student performance based on the results achieved by students who entered community college and school district programs in the 1995-96 school year [3]
- Program performance for workforce programs offered by community colleges and school districts in 1998-99 based on fall 1999 employment outcomes and changes in program performance between 1992-93 and 1998-99
- Business satisfaction with programs provided by community colleges and school districts based on interviews with business and industry representatives and interviews with the executive directors of the regional workforce development boards
- The effect of the performance-based funding formula on community college and school district workforce programs based on interviews with representatives of community college and school district programs [4]
- Governance of workforce education programs based on reviewing other state workforce training structures and assessing the results in Florida counties where the community college system has assumed responsibility for school district workforce programs. We obtained opinions of representatives from local community colleges and school

[3] We selected students entering workforce programs in the fall of 1995-96 and evaluated program completions through 1998-99. Going back four years allowed us to capture program completions for full-time and part-time students. We expected part-time students to require four years to complete two-year workforce education programs.

[4] Florida's Auditor General conducted an annual audit of the Workforce Development Education Fund in 2000. The audit addressed issues relating to the funding formula, such as whether programs are funded appropriately, availability of cost data on programs, and basing allocations on performance in prior years. See Report No. 01-136 at http://sun6.dms.state.fl.us/audgen/pages/list0001pages.htm.

districts on the issues involved in consolidating the adult certificate programs provided by both systems. [5]

Background

Postsecondary programs are an integral part of Florida's workforce development education system and are designed to meet the demands for trained workers in occupations that require skills beyond a high school diploma, but do not require a four-year degree. Workforce program goals are to allow students to obtain vocational competencies needed to enter and progress in the workforce and postsecondary education, and enable students to compete in a global economy in careers that allow them to achieve and maintain economic self-sufficiency.

Florida has a dual-delivery system for its postsecondary workforce education programs. All of Florida's 28 community colleges and 57 of its 67 school districts provide workforce development programs (job training which leads to a certificate or degree, adult education, and/or continuing workforce education). [6] (See Exhibit 1.) Both delivery systems provide an array of programs based on community needs and local labor market demands. Job training programs provided by community colleges focus on meeting workforce demands for highly skilled workers, with one-third of the students in associate in science degree programs. Job training programs provided by school districts are more frequently designed for occupations that require low to medium skill levels. School districts provide more adult education/literacy for individuals with low English-language and/or academic skills that prevent them from entering the job market or from moving out of low-wage jobs. Exhibit 2 shows the distribution of the 874,791 students enrolled in workforce development education programs in 1998-99.

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[5] See Appendix A on page 60 for a description of the methodology used to address these issues.

[6] Florida has 38 vocational-technical centers that provide school district workforce development education programs. Centers located in primarily rural and/or suburban areas serve multiple counties. Multiple centers are located in large urban/suburban areas (Broward, Dade, Hillsborough, Lee, Orange, Pinellas, and Polk counties). See Appendix B on page 64 for the location of community colleges and vo-tech centers in Florida.

This review includes private sector postsecondary workforce education programs. These programs are also provided by the public sector (community colleges and school districts) in Florida. The Florida Association of Postsecondary Schools and Colleges represents over 500 private career schools and nonpublic colleges throughout the state and provides information on these programs at http://www.fapsc.org/main/main.asp.

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Exhibit 1
The Workforce Development Program Offers a Variety of Programs to Improve the Employability Skills of Florida's Workforce

Workforce Program	Program Description	Community College Program	School District Program
Associate in science	A course of study that leads to employment in a specified occupation, and terminates with an associate in science degree[1]	X	
Vocational certificate	A course of study that leads to employment in a specific occupation and includes one or more occupational completion points[2] and terminates with either a certificate or a diploma[3]	X	X
Apprenticeship and pre-apprenticeship	A combination of on-the-job training and related instruction in which workers learn the practical and theoretical aspects of highly skilled occupations	X	X
Adult general education	Programs designed to improve the employability skills through adult basic education, English language courses, adult secondary education, GED preparation, and vocational-preparatory education	X	X
Continuing workforce education	Instruction that does not result in a vocational certificate, diploma, or degree, which includes training required for licensure renewal or certification renewal, training for specific skills to increase business and organization efficiency and productivity, and occupational skills necessary to maintain current employment, to cross train employees, or to upgrade employment	X	X

[1] Beginning in Fiscal Year 2001-02, community colleges will report student completion of program progression points (PPPs) in associate in science degree programs. Completion of a PPP indicates a student attained a particular set of skills associated with a degree program. Because some employers are interested in hiring students with these skills, a student may decide to enter the workforce before completing all the courses required for the related associate in science degree.

[2] An occupational completion point (OCP) is an exit point within an adult certificate program in which a student has the skills necessary to enter the labor market before completing an entire program of study. See Appendix C on page 66 for examples of OCPs.

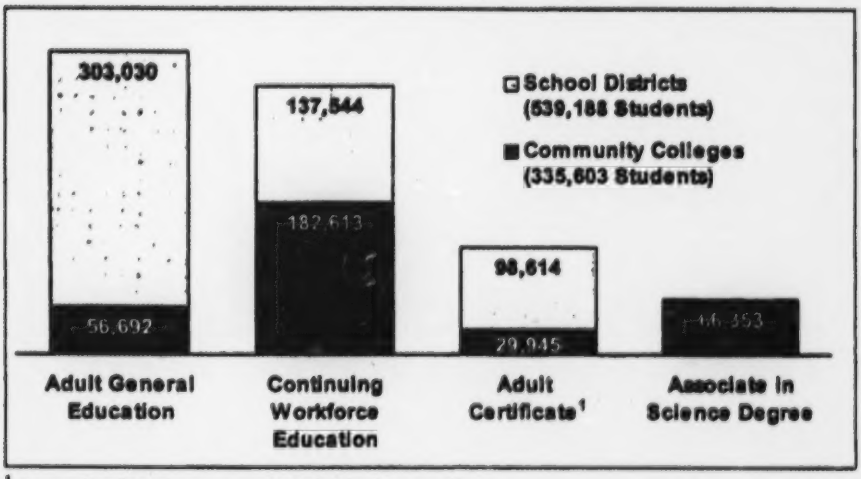
[3] Certificate programs include adult certificate, college credit certificate, and applied technology diploma (ATD) programs. The ATD program is a course of study that is part of an associate in science degree program, is less than 60 credit hours, and leads to employment in a specific occupation. ATD programs can be offered by either community colleges or school districts. ATD hours earned at school districts convert to college credit hours when a student transfers to a community college to complete the related degree program.

Source: Sections 239.105, 239.115, and 446.021, *F.S.*, the Florida Department of Education, and the U.S. Department of Labor, Office of Apprenticeship Training.

Program oversight. Three divisions within the Department of Education provide leadership and technical support for workforce development education programs. The Division of Workforce Development provides oversight for all public postsecondary workforce development education programs, and the Division of Community Colleges provides additional oversight for community college workforce development programs. Oversight activities include developing designs for instructional programs, developing strategies to increase student productivity, and providing professional development activities for school district and community college workforce development programs.

The Division of Technology serves multiple functions. It collects all school district data related to workforce development education. The Division of Technology also receives performance information from the Division of Community Colleges to use in the calculation of the Workforce Development Education Fund and for identifying placement information for the Florida Employment Training Placement Information Program (FETPIP). Finally, the division distributes information to community colleges and school districts for local program planning and evaluation.

Exhibit 2
Distribution of 874,791 Students Enrolled in Community College and School District Workforce Development Education Programs in 1998-99



[1] Apprenticeship programs are included in these numbers.

Source: Department of Education.

Legislation linking performance and funding. Since 1994, the Legislature has created three major initiatives designed to improve workforce education by linking program funding to performance outcomes. The Performance-Based Incentive Funding (PBIF) program allowed community colleges and school districts to earn incentives for training students to enter high-skills/high-wage occupations targeted to meet Florida's workforce development needs. The PBIF program also provided

additional incentives for training disadvantaged students to enter these targeted occupations. Under performance-based program budgeting (PB^2) created by the 1994 Legislature, community colleges received funding from 1996 to 1998 based on workforce program outcomes similar to those rewarded in the PBIF program.

The 1997 Legislature created a new system for funding workforce development education programs based on performance. This system replaced the PBIF and PB^2 initiatives. Under the system, 15% of the funds designated for community college and school district workforce development programs are allocated based on a formula that awards points for positive program outcomes, such as training students for high-skills/high-wage occupations.[7] The remaining 85% of the funding is based on the prior year's funding level.

Implementation of the performance-based funding system was delayed to allow the Department of Education time to develop a system to provide the information needed to base allocations on program performance. During the first two years of the new system, workforce development education funds were allocated based on prior allocation levels. Allocations for Fiscal Year 1999-2000 and 2000-01 were made under the performance-based funding system, and 15% of funding was based on community college and school district performance under the funding formula. See Appendix E on page 70 for Fiscal Year 2000-01 performance-based funding allocations by community college and school district. Chapter 3 of this report provides a detailed discussion of the performance-based funding formula.

Workforce development funds for 2000-01. In Fiscal Year 2000-01, the workforce education program received $821.5 million. (See Exhibit 3.) The $821.5 million does not include funding for administrative activities of the Division of Workforce Development and the Division of Community Colleges. These divisions share executive direction responsibilities for postsecondary workforce development programs in addition to other program responsibilities. The Division of Workforce Development received $7,877,307 (28.8% from general revenue funds and the balance from trust funds) for executive direction and support services and 100 approved positions. Thirteen of the division's positions are assigned to the State Board of Nonpublic Career Education. The division provides oversight for postsecondary workforce development education and K-12 workforce development education programs.

The Division of Community Colleges received $5,696,807 for executive direction and support services with 55 approved positions. This division provides oversight for postsecondary workforce development programs and the associate in arts degree program.

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[7] The 1997 Legislature also created the Division of Workforce Development and the Workforce Development Education Fund. The Legislature changed the method for determining the appropriations for community colleges' and school districts' workforce programs replacing the FTE (full-time equivalent) count with funding based on performance. See ss. 239.115(50) and 239.115(6), *F.S.*

Exhibit 3
Workforce Development Education Fund
Fiscal Year 2000-01 Appropriations

Funding Category		Appropriations
Aid to Local Governments		**$738,560,617**
Community College Workforce Development Programs		
General funding	$261,662,241	
Performance-based funding	51,043,796	
Total community college funding	$312,706,037	
School District Workforce Development Programs		
General funding	$346,461,431	
Performance-based funding	60,563,965	
Total school district funding	$407,025,396	
Workforce Development Grants		
Critical Jobs Initiative	$ 18,829,184	
Other Workforce Funding		**$ 82,939,344**
Workforce Education Programs for Adults with Disabilities	$ 20,556,859	
Adult Basic Education federal flow funds under Title II of the Workforce Investment Act of 1998, Adult Education and Family Literacy	17,817,035	
Workforce Education federal flow-through funds under the Carl D. Perkins Vocational and Technical Education Act of 1998 [1]	44,565,450	
Total Workforce Development Program Appropriations		$821,499,961

[1] The Carl D. Perkins funds are for K-12 and postsecondary vocational and technical education.

[2] The Workforce Development Education appropriations include $759,117,476 in general revenue and $62,382,485 in federal funding.

Source: Department of Education and Ch. 2000-166, *Laws of Florida*.

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Chapter 2

How Well Is the Workforce Development System Performing?

The state's workforce development education system provides programs that are useful to industry and help students achieve economic self-sufficiency. However, completion rates in these programs are low—27.2% of the students who entered workforce education programs during the 1995-96 school year completed a program. Completion rates ranged from an average of 17% in community college associate in science degree programs to 47.8% in community college adult vocational certificate programs. Community college program completers earned more on average than school district completers, which is due, in part, to the different populations served by the two systems. Statewide, workforce programs show improvement in recent years due to legislative reforms tying funding to performance and to actions taken by local providers to improve program outcomes (completions and placements).

Student Performance

To assess the performance of the Workforce Development Education Program, we examined a cohort of all first-time students who entered a postsecondary school district or community college workforce development education program in the 1995-96 school year. We chose this time period to increase the probability that the students would finish their programs and to provide at least four quarters of post-completion income to compare to their earnings prior to entrance. While workforce programs can be completed within two years, many students attend school on a part-time basis and require more than two years to finish their programs. The 1995-96 cohort was the most recent group of students that would have four quarters of income data after program completion. Our analysis of student performance in the certificate and degree programs assessed

- student completion rates by delivery system and program and
- the effect of completion or non-completion on student earnings by delivery system and program.

Because this analysis included students attending either a community college or a school district workforce education program, we compared the relative performance when each system provides the same workforce education program.

Completion rates low in associate in science degree programs

A minority of students completed their workforce development programs, and students in certificate programs were more likely to complete than those in degree programs. Twenty-seven percent of the 124,204 students in the cohort completed a program. As shown in Exhibit 4, students in certificate programs were more likely to complete a program than students in associate in science degree programs. The low completions in associate in science degree programs can be attributed, in part, to the longer program length. Another reason for low completions in degree programs is that students frequently complete the skills training and enter the job market before completing the general education requirements. [8]

Students leave for reasons outside local providers' control. The state's open-door admissions policy, other student responsibilities, and labor market demands contribute to low completion rates. The state's open-door admission policy requires community colleges and school districts to serve all who can benefit. The community colleges and school districts must provide remedial courses for students who need to improve basic skills to successfully complete a workforce education program. Another reason for low completions is that many students work while attending college part-time, and other responsibilities can interfere with program completion. Labor market demands affect completion rates especially for students in technology-related training programs who frequently leave prior to completion, because employers offer good wages for the subset of skills acquired in the program.

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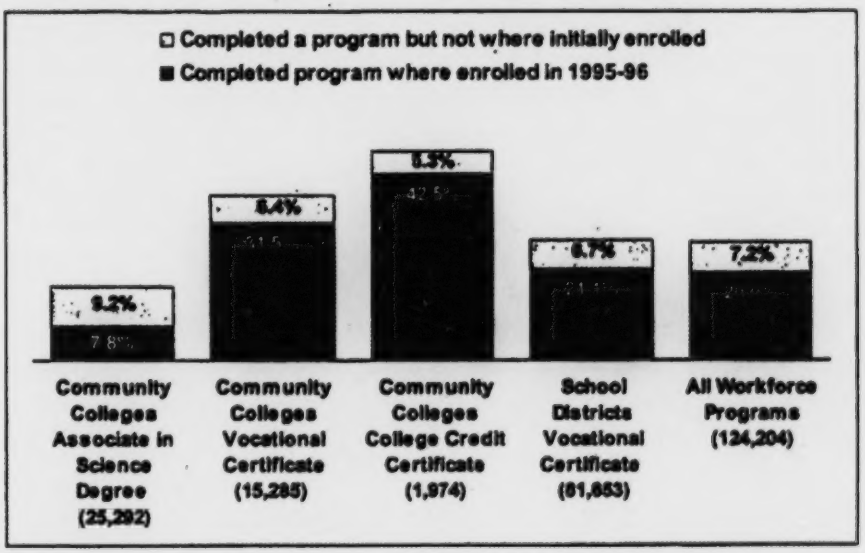
[8] Two-year associate in science degree programs are offered for student who wish to prepare for careers requiring specialized study at the college level. These programs are specifically tailored for immediate entry into the business or industrial world, but include many courses which may be transferred to a university if the student decides to work toward a four-year degree. For example, at Miami-Dade Community College the accounting technology degree requires 49 hours of accounting courses and 15-21 hours of general education (communications, humanities, behavorial or social science, and math). Other associate in science degrees have similar general education requirements.

Exhibit 4
Completion Rates Low in Associate in Science Degree Programs



Source: OPPAGA analysis of Department of Education data on students who entered workforce development programs in the 1995-96 school year that lead to degrees or certificates.

Completion rates should improve. Completion rates may be lower for this cohort than for current workforce programs, because the students enrolled prior to the implementation of performance funding for workforce education programs. Community college and school district administrators reported that they are redesigning programs in response to performance funding. Our evaluation of program performance showed that programs produced more completers in recent years.[9]

Community colleges and school districts serve different populations

We evaluated the characteristics of students served by community colleges and school districts to determine if these traits accounted for differences in performance. School district administrators reported they served a different group of students, and we found their students have lower workforce skills as measured by earnings of students prior to entering a program. (See Exhibit 5.) Our analysis showed that students were similar in age and gender. School district students were less likely to have a prior work history, another indicator of lower workplace skills. Students with lower workplace skills are more likely to receive public

[9] The performance funding system is discussed in Chapter 3 of this report. The completion rates and actions taken by community colleges and school districts are discussed later in this chapter under program performance.

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assistance, and one of the major goals of the workforce education program is to help those on public assistance obtain job skills that allow them to move toward self-sufficiency.

Exhibit 5
Community College Students Had Better Workplace Skills As Demonstrated by Higher Preprogram Earnings[1]

Student Characteristics	Community College Students	School District Students
Median Age	31 *(n=41,253)*	33 *(n=70,094)*
Percent Female	57.5% *(n=41,360)*	54.5% *(n=70,094)*
1994-95 Median Wages	$8,293 *(n=22,397)*	$4,662 *(n=30,765)*
1994-95 Wage Data Available	54.2% *(n=41,360)*	43.9% *(n=70,094)*

[1]Earnings data comes from the Department of Education, Florida Employment Training Information Program, and is based on four quarters (Quarter 2 of 1999 through Quarter 1 of 2000).

Source: OPPAGA analysis of Department of Education data on students who entered workforce development programs in the 1995-96 school year that lead to degrees or certificates.

Differences in Entry-Level Academic Skills. We did not have data to compare entry-level academic skills of workforce education students. According to school district administrators, many of their students have been unsuccessful in the public school system and are more comfortable entering school district workforce programs. The administrators reported these students typically find the community college setting unfamiliar and/or intimidating. Conversely, students who have been successful in public school are more interested in attending a college workforce program when peers are entering university programs.

Earnings increase for program completers, but many earn less than a living wage

Program completers had higher earnings increases. Average earnings increased for the 1995-96 cohort, and people who completed community college credit certificate programs had the highest earnings increases. (See Exhibit 6.) Completers of school district adult certificate programs earned significantly less, on average, than those who completed the same program at community colleges. The different populations served and differences in the slate of programs provided by each system in response to local labor market demands can explain the differences in the earnings between the two systems.

Exhibit 6
Incomes Substantially Increase for Program Completers, But School District Program Graduates Still Had Low Earnings

Local Provider	Program Completers		Non-Completers	
	Median Post Completion Earnings[1]	Median Earnings Increase[2]	Median Post Completion Earnings[1]	Median Earnings Increase[2]
Community Colleges				
Associate in Science Degree	$28,799 (n=1,585)	104.1% (n=892)	$21,150 (n=15,248)	95.9% (n=9,311)
College Credit Certificate	31,626 (n=678)	78.5% (n=461)	24,315 (n=728)	71.9% (n=492)
Adult Vocational Certificate	30,719 (n=3,686)	139.8% (n=2,182)	19,699 (n=6,467)	111.7% (n=3,538)
School Districts				
Adult Vocational Certificate	$16,756 (n=12,260)	143.6% (n=6,578)	$13,853 (n=32,510)	135.4% (n=16,919)

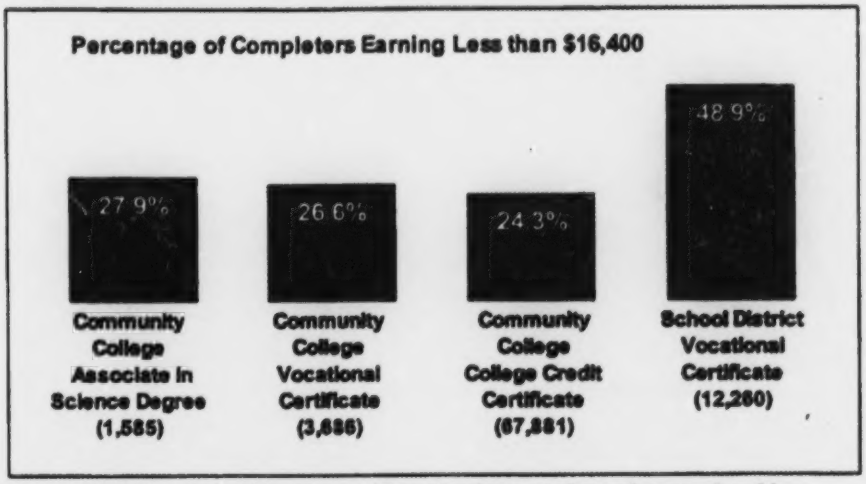
[1]Earnings data comes from the Department of Education, Florida Employment Training Information Program and is based on four quarters (Quarter 2 of 1999 through Quarter 1 of 2000). Earnings data was available on 75.4% of the 24,827 completers and 68.5% of the 99,451 non-completers.

[2]Lower numbers are reported in the percentage increase column, because we had pre-1994-95 and post-1999-2000 data only on 41.8% of the completers and 37.1% of the non-completers.

Source: OPPAGA analysis of Department of Education data on students who entered workforce development programs in the 1995-96 school year that lead to degrees or certificates.

Completers sometimes earned less than a living wage. The average or median wage ($16,756) of school district program completers is slightly more than a living wage, which is defined as the amount of money required to sustain a family of three above the poverty line. Estimates of the living wage range from $6.10 to $12.00 per hour, with $6.10 to $8.00 (representing a range of annual income of $12,688 to $16,400) commonly cited. Exhibit 7 shows that 7,584 program completers made less than a living wage, and most of these completers were in school district adult vocational programs. The low wages for completers may be due to school districts serving more individuals who are moving off public assistance just beginning to gain some work experience. Serving this group is consistent with one of the primary goals of the workforce education program, i.e., to assist people who are receiving public assistance move toward becoming self-sufficient.

Exhibit 7
Program Completers Sometimes Earn Less Than a Living Wage



Source: OPPAGA analysis of Department of Education data on students who entered workforce development programs in the 1995-96 school year that lead to degrees or certificates.

Mixed performance in selected adult vocational certificate programs provided by both systems

We compared the average earnings and earnings increases in adult vocational certificate programs provided by both systems to evaluate system performance. Our analysis showed community college program completers earned more for all programs and had higher wages increases in four of the eight programs. (See Exhibit 8.) Community college programs have better results, in part, because they serve students who have better workplace skills prior to entering workforce education programs.

Exhibit 8
For Selected Adult Vocational Certificate Programs, the System Showing the Highest Increases in Average Wages Varied by Program

	Community Colleges		School Districts	
Adult Certificate Programs—Selected Occupations[1]	Median Post Completion Earnings[2]	Median Earnings Increase[3]	Median Post Completion Earnings[2]	Median Earnings Increase[3]
Law enforcement	$42,721 *(n=378)*	135.4% *(n=239)*	$31,237 *(n=565)*	101.4% *(n=382)*
Fire fighting	41,121 *(n=72)*	264.6 *(n=41)*	30,781 *(n=295)*	182.3% *(n=199)*
Insurance marketing	34,680 *(n=340)*	85.4% *(n=177)*	22,057 *(n=135)*	53.5% *(n=81)*
Correction officer	32,494 *(n=1436)*	162.4% *(n=956)*	26,723 *(n=573)*	205.0% *(n=347)*
Practical nursing	28,884 *(n=79)*	134.2% *(n=38)*	23,450 *(n=429)*	170.1% *(n=264)*
Home health aide	18,231 *(n=120)*	72.2% *(n=71)*	12,539 *(n=260)*	107.3% *(n=115)*
Nursing assistant	16,154 *(n=183)*	108.8% *(n=108)*	12,642 *(n=1,461)*	158.6% *(n=770)*
Patient care assistant	14,359 *(n=198)*	224.8% *(n=97)*	12,945 *(n=1,073)*	211.6% *(n=508)*

[1] These were the only certificate programs with sufficient completers to allow a valid comparison between school district and community college performance outcomes.

[2] Earning increases are based on a comparison of earnings in 1994-95, the year before entering a program and the earnings for Quarter 4 of 1999 and Quarters 1-3 of 2000.

[3] Lower numbers are reported in the percentage increase column, because we had pre (1994-95) and post (1999-2000) data only on 41.8% of the completers and 37.1% of the non-completers.

Source: OPPAGA analysis of Department of Education data on students who entered workforce development programs in the 1995-96 school year that lead to degrees or certificates.

Predicted earnings are higher for community college programs when adjusting for factors that influence earnings

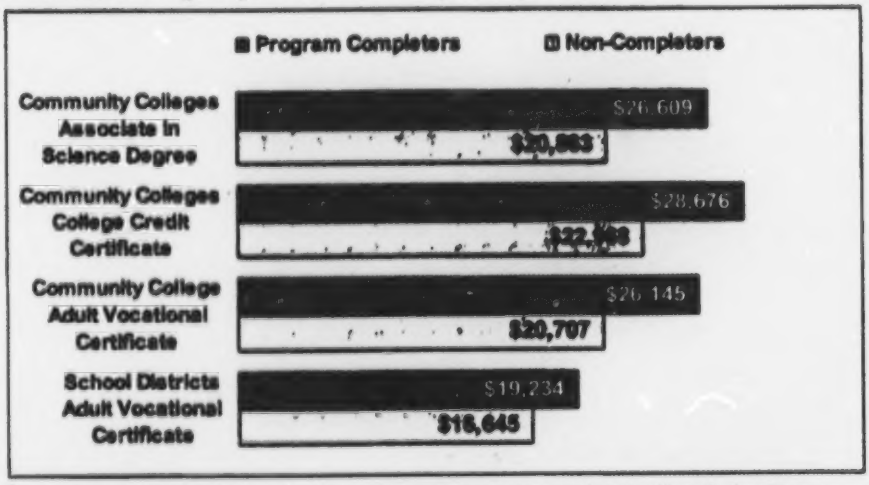
Many factors other than completing a workforce education program influence how much a person earns. For example, programs that attract people that have more work experience and higher wages prior to entering the program will appear to be more successful when comparing earnings after completing the program than programs that attract less experienced and skilled people. Program selection also varies by certain demographic characteristics (e.g., age, sex, and race). For example, more

females enter nursing and childcare programs, and more males go into law enforcement and fire fighting.

When comparing the performance of workforce education programs or delivery systems it is important to consider these other factors. Performance differences may be due to the types of people entering the programs and not to the program or delivery system. The best comparison would compare students with the same characteristics across each program or delivery system. To compare the performance of the programs and delivery systems we estimated the 1999-2000 earnings for the same hypothetical 'typical' person. The typical person was a 35-year-old white female in Miami-Dade who earned $5,972 in 1994-95.

As shown in Exhibit 9, when controlling for factors that affect earnings, typical students could expect to earn more if they complete a community college program with similar earnings predicted for associate in science degree, college credit certificate, and adult vocational certificate programs. Because the two-year associate in science programs require a larger investment of individual and state funds, the shorter certificate programs may be a better investment of the state's workforce education funds. When we compared performance for adult vocational programs provided by both community colleges and school districts, the expected earnings for community college completers exceed that of school district completers by approximately $5,000 a year. (See Exhibit 10.)

Exhibit 9
Predicted Earnings Higher for Community College Programs[1]



[1] We used a statistical technique, least squares regression, to account for the effect of other factors (earnings prior to entering a program (1994-95), sex, age, race, and regional wage differences) on earnings (2nd, 3rd, 4th quarter of 1999 and 1st quarter 2000).

Source: OPPAGA analysis of Department of Education data on students who entered workforce development programs in the 1995-96 school year that lead to degrees or certificates.

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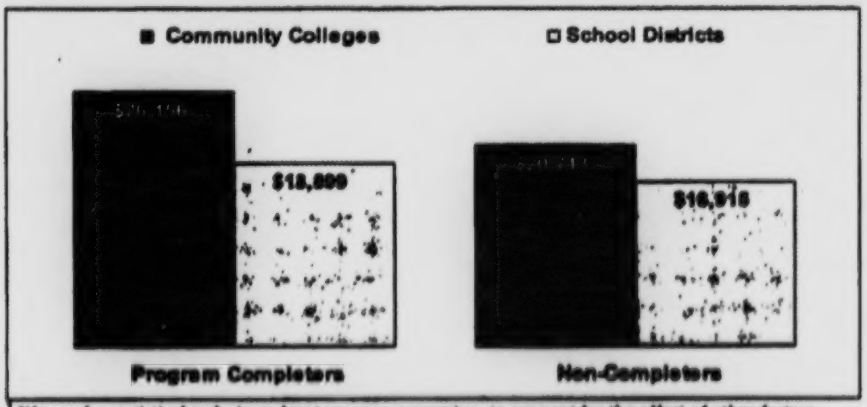
Exhibit 10
In Adult Vocational Certificate Programs Provided by Both Systems, Predicted Earnings Are Higher for Students in Community College Programs[1]



[1] We used a statistical technique, least squares regression, to account for the effect of other factors (earnings prior to entering a program (1994-95), sex, age, race, and regional wage differences) on earnings (2nd, 3rd, 4th quarter of 1999 and 1st quarter 2000).

Source: OPPAGA analysis of Department of Education data on students who entered workforce development programs in the 1995-96 school year that lead to degrees or certificates.

In conclusion, the performance of community college and school districts providing workforce development education programs shows performance is influenced primarily by differences in the type of students served and the slate of programs provided to meet local needs. Our analysis of the completion rates and earnings of students in the 1995-96 cohort showed mixed performance for each system. Each system has strengths and weaknesses. Community college completers receive higher earnings, but associate in science degree programs have low completion rates. School district completers earn less, but these programs serve more students and produce more completers. When controlling for factors that affect earnings, typical students can expect to earn more if they complete a community college program.

Program Performance

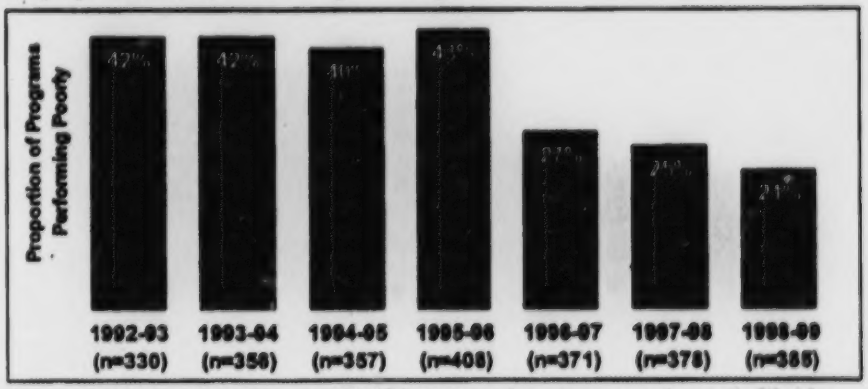
The performance of the state's Workforce Development Education Program has improved in recent years. Workforce programs provided between Fiscal Years 1996-97 and 1998-99 produced higher employment rates and higher average beginning wages for program completers than in the previous four years. Improved employment rates and increased earnings can be attributed to a strong economy in recent years and to actions taken by community colleges and school districts in response to legislative initiatives linking performance to funding. Adult certificate program completions and average wages of completers are influenced by the different array of adult programs provided to meet local labor market

demands. Community college programs provided more long-term training for higher wages occupations, such as information technology. School districts provided more short to moderate length programs for lower wage occupations, such as nursing assistant and childcare.

Program performance has improved due to better employment rates and increased earnings of program completers

Program performance has improved during the last seven years primarily due to better job placements. In recent years, program completers have been more likely to become employed and to obtain jobs with higher wages. A lower proportion of workforce education programs met the criteria "poorly performing programs" (e.g., programs with fewer than five completers, less than 50% of the completers employed, and with average entry-level wages of less than $7.50 an hour for the completers who were working). The proportion of programs that were "poorly performing" fell from 42% in 1992-93 to 21% in 1998-99. (See Exhibit 11.) The improvement in performance in 1996-97 can be attributed to changes made by community colleges and school districts in response to legislative initiatives linking performance and funding.[10] Community college and school district administrators reported developing a variety of strategies, such as tracking student progress and working with the business community, that have helped to improve program performance. See Exhibit 15 for more information on these strategies. As shown in Exhibit 12, the major improvements occurred in wage levels and employment rates for program completers. The percentage of programs with fewer than five completers statewide remained about the same throughout the seven years.

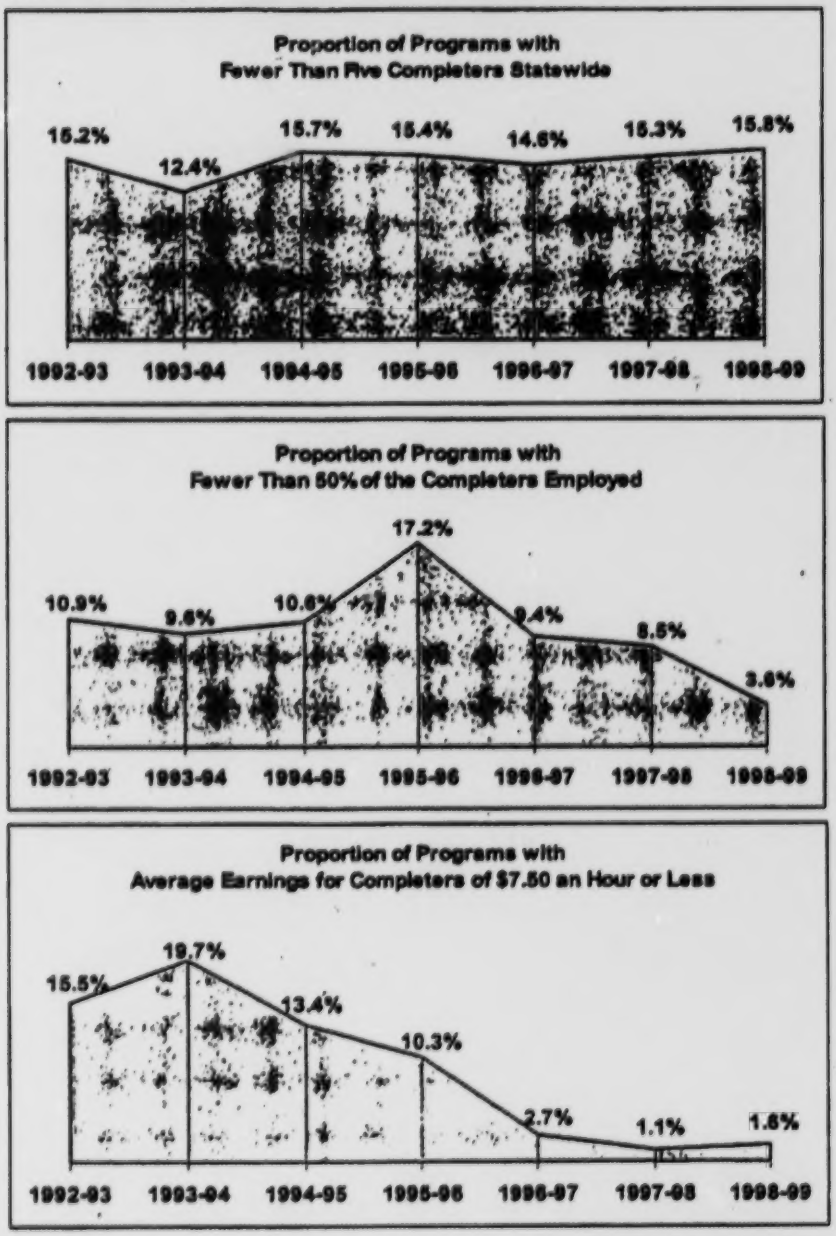
Exhibit 11
Over the Past Three Years, a Lower Proportion of Statewide Workforce Programs Met the Criteria for Poor Performance Based on Completions, Employment Rates, and Average Earnings



Source: OPPAGA analysis of Department of Education employment outcome data on the Workforce Development Education Program from Fiscal Years 1992-93 to 1998-99.

[10] The legislative initiatives linking performance and funding are described on page 4 of this report.

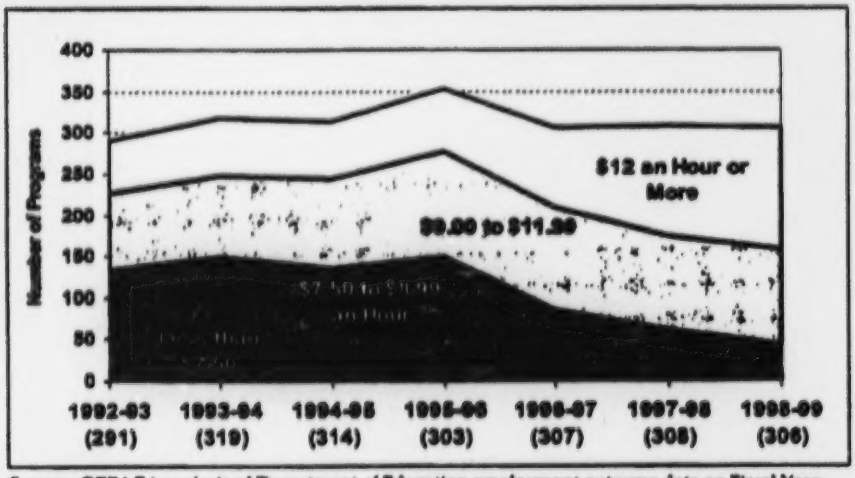
Exhibit 12
The Proportion of Programs with Low Completions Remained Relatively Constant While the Proportion with Low Employment and the Proportion with Low Average Wages Declined in Recent Years



Source: OPPAGA analysis of Department of Education employment outcome data on Fiscal Year 1992-93 through Fiscal Year 1998-99 Workforce Development Education Program completers.

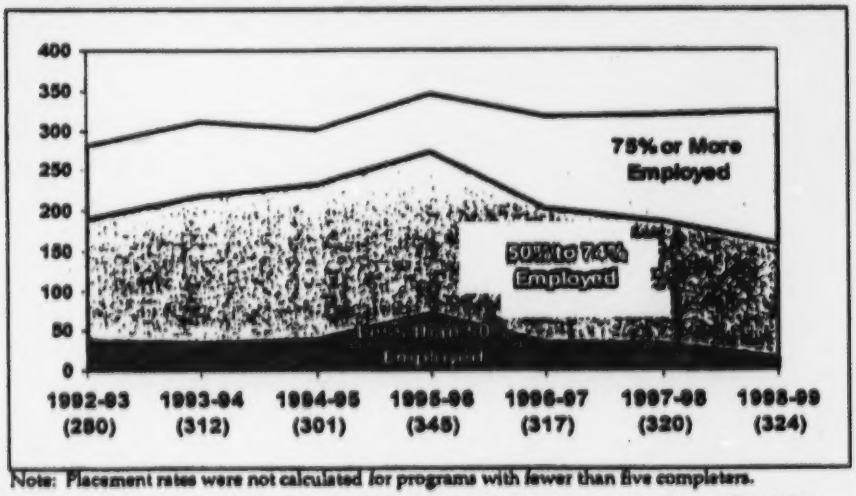
Improved wage levels and employment rates. Workforce programs also have shown overall improvements in the wage levels and employment rates for program completers. Beginning in 1996-97, more programs had completers who earned average entry-level wages of $12 or higher. (See Exhibit 13.) At the same point in time, employment rates improved as higher numbers of programs achieved employment for 75% or more of their completers. (See Exhibit 14.)

Exhibit 13
More Programs in Recent Years with Higher Average Entry-Level Wages



Source: OPPAGA analysis of Department of Education employment outcome data on Fiscal Year 1998-99 Workforce Development Education Program completers.

Exhibit 14
More Programs in Recent Years with Higher Proportion of Completers Employed



Note: Placement rates were not calculated for programs with fewer than five completers.

Source: OPPAGA analysis of Department of Education employment outcome data on Fiscal Year 1998-99 Workforce Development Education Program completers.

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Improvements attributed to good economic conditions and legislative initiatives. There are two primary reasons for this improved performance. First, the economy is a major influence on the performance of workforce development programs. Florida's economic prosperity over the past eight years has contributed to improved wages and employment rates for completers of workforce development programs. The second reason is that since 1994 the Legislature has enacted a series of reforms to encourage improved performance outcomes for workforce development programs. The 1994 Legislature created the Performance-Based Incentive Funding Program that provided incentive funding for community colleges and school districts for preparing students for high-skills/high-wage programs identified through the Occupational Forecasting Conference. [11] The 1997 Legislature created a separate workforce program in the Department of Education and required that 15% of workforce development funds be allocated based on performance outcomes such as program completion and entry level wages. [12] The performance-based funding formula is discussed in Chapter 3 of this report.

Due to these initiatives, community college and school district staffs have taken steps to compete successfully for performance-based funding. These staffs said that their institutions have changed their activities to (1) assist students to select better programs, (2) develop strategies to improve program completions, and (3) work with the business community to assist program completers in obtaining employment. Exhibit 15 provides more examples of the activities designed to improve program performance.

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[11] The 1994 Legislature created the Occupational Forecasting Conference (OFC) to identify high-skills/high-wage occupations needed to meet Florida workforce demands and provided that performance incentives could only be earned for community colleges and school districts programs designed to meet the demand for the high-skills/high-wage occupations identified through the OFC.

[12] The 1997 and 1998 Legislatures also provided performance-based program budget (PB^2) funding based on performance outcomes for community college workforce development programs. See OPPAGA Report No. 98-06A, *Program Evaluation and Justification Review of Florida's Community College System*, August 1998, page 48.

Exhibit 15
Community Colleges and School Districts Have Developed Strategies to Improve Program Performance

Strategy to Improve Performance	Program Completions	Employment Rates	Completer Earnings
Track student progress and offer counseling to those who fall behind in their coursework or fail to attend class	X		
Track program performance to help decision makers determine whether programs should be continued, eliminated, or consolidated	X	X	X
Revamp data collection efforts to ensure collection of correct and accurate data	X	X	X
Educate administrators, department heads, and instructors on how performance affects funding	X	X	X
Work with business community to increase use of internships	X	X	X
Provide guaranteed employment for certain program completers	X	X	X

Source: OPPAGA interviews with community college and school district staff from Duval, Escambia, Hillsborough, Indian River, Leon, Martin, Miami-Dade, Orange, Palm Beach, and Pinellas counties.

High completions in high-wage and low-wage occupations

We evaluated the programs provided in Fiscal Year 1998-99 to determine the best performers in terms of completers produced, percentage employed, and average hourly wages for completers. The community college registered nurse program provided the most completers and highest average hourly wages. The school district patient care technician and early childhood education programs also provided high completions, but the hourly wages were low for program completers. (See Exhibit 16.) Labor market demands are high for patient care and childcare programs, because turnover is high in these low-wage occupations. In addition to benefiting the local economy, these low-wage occupations also benefit individuals with low skills and/or no work experience by providing entry-level employment to help them acquire skills needed to move into higher paying occupations.

Exhibit 16
Registered Nursing Programs Provided by Community Colleges Produced the Most Completers and Highest Average Hourly Wages

Program Title	Number of Completers	Percentage of Completers Employed	Average Hourly Wages
Community College Programs			
Nursing R.N. (Associate in Science)	3,525	88%	$16.48
Correctional Officer (Adult Certificate)	2,094	95%	13.08
Emergency Medical Technician (College Credit Certificate)	2,061	85%	13.40
Law Enforcement (Adult Certificate)	1,630	92%	14.78
Fire Fighting (Adult Certificate)	1,026	90%	13.93
School District Adult Certificate Programs			
Patient Care Technician	3,084	73%	$ 8.05
Early Childhood Education	2,198	66%	8.14
Practical Nursing	1,502	84%	11.57
Business Software Applications	1,278	68%	10.87

Note: School districts also provided the correctional office, law enforcement, and fire fighting adult certificate programs with similar outcomes for percentage employed and average hourly wages. The school district programs had fewer completers (546 for corrections officer, 800 for law enforcement, and 707 for fire fighting).

Source: OPPAGA analysis of Department of Education employment outcome data on Fiscal Year 1998-99 Workforce Development Education Program completers.

Twenty-seven programs had 500 or more completers

We evaluated data on programs provided by community colleges and school districts to determine which programs were producing more completers regardless of the employment outcomes (percentage employed and average hourly wages). We found 27 programs had 500 or more completers statewide, and these programs accounted for 56% of the 56,500 students who completed programs in Fiscal Year 1998-99. (See Exhibit 17.) We also evaluated the extent that each program provides programs with very low completions and found the percentage of programs with less than five completers was low for all certificate and degree programs, and more community college programs had very low completions. (See Exhibit 18.) Department of Education staff said completions are typically low when programs are being phased out and/or the program is new and has not yet begun to produce completers. Appendix D, page 69, provides a listing of the programs that had fewer than five completers statewide.

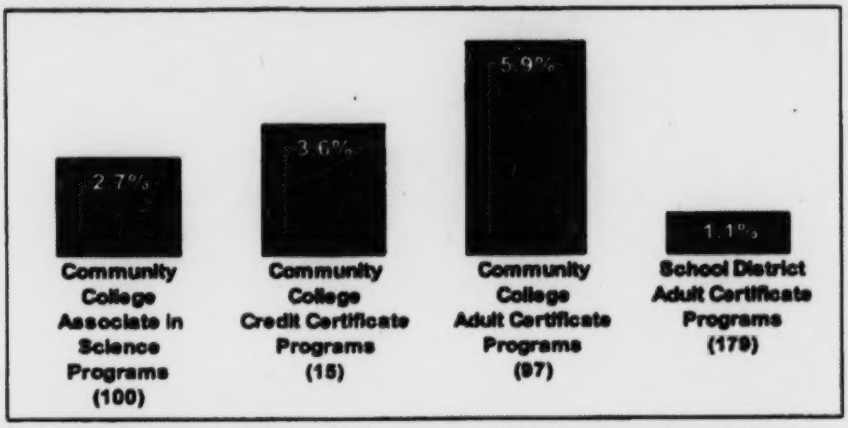
Exhibit 17
In 1998-99, 27 of the 291 Statewide Workforce Development Education Programs Had 500 or More Completers Statewide [1]

School District Adult Certificate Programs	Number of Completers
Patient Care Technician	3,084
Early Childhood Education	2,196
Practical Nursing	1,502
Vocational Education for Adult Offenders	1,467
Business Software Applications	1,278
Electricity	975
System for Applied Individualized Learning	957
Commercial Vehicle Driving	897
Law Enforcement	800
Cosmetology	777
Commercial Foods and Culinary Arts	719
Fire Fighting	707
Commercial Heating And Air Conditioning	690
Office Supervision (Administrative Assistant)	658
School Bus Driver Training	655
Correctional Officer	546
Private Security Officer	546
Community College Programs	**Number of Completers**
Associate in Science Degree Programs	
Nursing (Associate Degree) R.N.	3,525
Business Administration and Management	572
Legal Assisting	560
Dental Hygiene	525
College Credit Certificate Programs	
Emergency Medical Technician	2,061
Paramedic	769
Adult Certificate Programs	
Correctional Officer	2,094
Law Enforcement	1,630
Fire Fighting	1,026
Practical Nursing	577

[1] These 27 programs produced 56% (31,884 of 56,500) of the program completers in 1998-99.

Source: School district and community college data reported to the Department of Education.

Exhibit 18
Community Colleges Had a Higher Proportion of Programs with Fewer Than Five Completers Statewide Than Did Local School Districts



[1] See Appendix D, on page 69, for a list of the programs with less than five completers statewide.

Source: Data provided by community colleges and school districts with statewide summaries provided by the Department of Education.

Actions taken since 1998-99 reduced the number of programs with low completions

Both community colleges and school districts provided a number of programs in 1998-99 with fewer than five completers statewide. Both systems decreased the number of programs with low completions since 1998-99 by (1) combining similar programs, (2) developing occupational completions points to capture the points at which students enter the job market, and (3) eliminating programs that do not increase completions.

Number of completions is an indicator of program success

The number of completions is one indicator of program success along with other factors such as the earnings of program completers and the proportion of completers who are employed. Workforce development programs (such as law enforcement and correctional officer, patient care technician, and early childhood education) that produce high numbers of completers are typically a good return on the state's investment of workforce funds. Economies of scale are possible when programs have large numbers of completers. Programs that produce few completers statewide may be a poor investment of workforce funds, because it is difficult to justify the cost of facilities and instruction for programs with such low completion rates. [13]

[13] In 1998-99, we estimate it cost the state, on average, $210,000 for a workforce development program ($710 million in funding divided by the 3,371 programs provided by community colleges and school districts). A community college program cost, on average, $272,041 (the system provided 1,075 programs and received $294,593,889 from the Workforce Development Education Fund). A school district program cost, on average, $181,067 (the system provided 2,296 programs and received $415,730,209 from the workforce fund).

Mixed performance for adult certificate programs

We compared the performance of adult certificate programs in the 21 workforce development regions where both community colleges and school districts provide these programs.[14] We compared performance by region to determine whether one system had better performance outcomes (e.g., more completers, higher completers per program, and/or higher wages for completers) in adult certificate programs. Our analysis showed that performance was mixed with school districts providing more programs and producing more program completers while community college programs produced higher average completers per program and higher average wages for completers.

Community colleges and school districts target different industry and occupational sectors

Our comparison of program performance in 1998-99 showed that school districts typically provided more programs and produced more program completers than community colleges in regions where both systems provided adult certificate programs. (See Appendix F on page 73.) Overall, school districts provided more programs and produced more program completers. (See Exhibit 19.) The difference in performance can be explained by the different array of adult programs provided to meet local labor market demands. Community college programs provided more long-term training for higher wages occupations, such as registered nursing and biomedical equipment technology. School districts provided more short to moderate length programs for lower wage occupations, such as nursing assistant and childcare. Labor market demands are high for patient care and childcare programs, because turnover is high in these low-wage occupations.

The array of programs provided by the two systems also serves the needs of the students with varied interests and aptitudes. Some students have the resources and motivation to complete longer programs that lead to better paying jobs. Other students have financial obligations that make it difficult to complete long programs and decide to go for shorter training programs that allow them to enter the labor market quickly even though these occupations pay less. Others individuals such as those with low language, math, or reading skills may be better served by training for an occupation like childcare or patient care assistant which allow them to gain work experience which can lead to increased wages.

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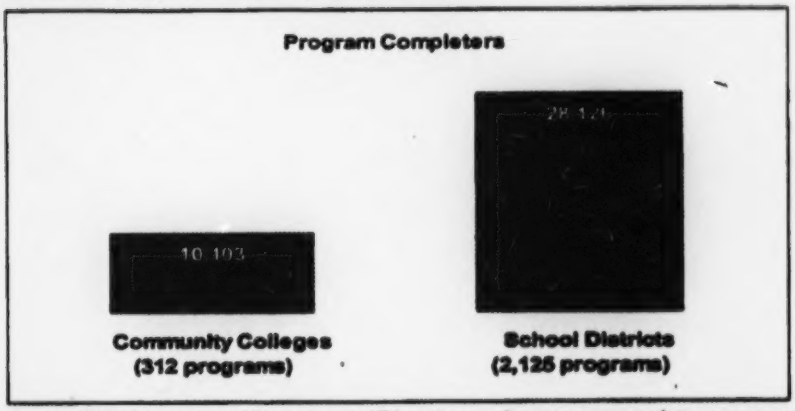
[14] In Region 13, Brevard County, the community college provides all adult certificate programs. In Region 18 (Manatee and Sarasota counties) and Region 24 (Charlotte, Collier, Glades, Hendry, and Lee counties), the school districts provide all adult certificate programs. Community colleges and school districts design workforce development programs to meet regional labor market demands in designated geographical areas with local boards that are responsible for implementing the federal Workforce Development Act. See Appendix B on page 64 for the location of the regional boards and the community colleges and school district workforce centers in each region.

Exhibit 19
School Districts Produced More Adult Certificate Programs and More Completers Than Community Colleges



Source: OPPAGA analysis of Department of Education employment outcome data on community college and school district Workforce Development Education Program completers. Appendix F on page 73 shows the number of programs and number of completers by workforce region.

Community college programs had higher average completers per program and higher average wages for completers

To evaluate relative performance regardless of program size, we assessed differences between community college and school district programs by comparing the average number of completers and the average wages earned by program completers. Our analysis showed that community college programs consistently outperformed school district programs in the same workforce regions. On average, community college programs averaged 32 completers per program compared to 13, on average, for school districts. The difference in average wages was less significant with community colleges, on average, earning $6,502 per quarter, while school district completers earned $5,799. Appendix F on page 73 provides a comparison of average completions and average wages by workforce region.

Meeting Business Needs

Business community generally satisfied with workforce programs, but would like more apprenticeship programs

Florida businesses are generally satisfied with the quality of training that their employees receive from the workforce development education system. However, as we explain later, they would like to see more hands-on and practical experience that would make employees more "job ready." They believe that the increased use of apprenticeships and internships would help in this initiative. In the information technology field, there was an appeal for the more timely development of programs to meet the increasing need for high technology graduates.

One of the key considerations the 1997 Legislature had when developing the Florida Workforce Development Education Fund was the need to

meet business and industry demand for skilled workers. [15] The 1999 Legislature continued to address this issue by appointing the Senate Select Committee on Workforce Innovation. This bipartisan committee created the Workforce Innovation Act of 2000 with goals such as

- enabling Florida employers to meet their needs for qualified, motivated employees and
- encouraging the continued growth of Florida's economy by developing and retaining a highly skilled and flexible workforce. [16]

Assessment of workforce programs

We assessed the workforce development education system's performance in preparing students to meet the skill demands of business and industry by

- conducting a telephone survey of businesses located in eight of the nine workforce development regions where we also met with community college and school district administrators, and [17]
- surveying the executive directors of the 24 regional workforce development boards. The high-skills/high-wage committees that report to the boards serve as an important liaison between the business and education communities. [18]

Businesses reported general satisfaction with the quality of training that their employees have received from the system. Seventy percent of the businesses believed that the workforce education system produced well-trained graduates. Of the businesses that hired students who complete workforce education programs, nearly 85% reported that the graduates possessed the skills they wanted or expected.

The regional workforce board executive directors were also positive in their assessment of program quality. The majority of the directors reported that the workforce development system was providing quality programs that produce well-prepared graduates. Half of the directors believed that collaboration between the educational institutions and the boards to develop the local demand occupational list, and the critical jobs

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[15] Section 239.115, *F.S.*

[16] Chapter 2000-165, *Laws of Florida.*

[17] We interviewed community college and school district administrators in 9 of the 24 regions (Regions 1, 5, 8, 12, 14, 15, 20, 21, and 23). See Appendix B pages 64-65 for the location of the workforce development regions and counties in each region. Participants for our telephone survey of businesses were drawn from a systematic sample of businesses listed in a Florida Department of Labor and Employment Security database. We contacted 418 businesses and conducted telephone surveys with 97, resulting in a response rate of 23%. Of the 97 businesses contacted, 76 (78%) had hired graduates of the workforce development system. Businesses were contacted in Regions 1, 5, 8, 12, 14, 15, 21, and 23.

[18] Effective October 1, 2000, membership of the local high skills/high wages committees is determined by the regional economic development boards in order to strengthen communication between businesses, the economic development community, and training providers.

list developed by the Occupational Forecasting Conference, have been major factors in providing quality programs.

Our surveys of businesses and workforce boards revealed three areas that they felt needed improvement.

Identification and timely development of programs. Developing programs most needed by business and industry is critical to establishing a well-trained workforce. The majority of the executive directors believed that the educational institutions were developing programs in a timely manner to meet business demands, but recognized that there are problems associated with the process.

The Occupational Forecasting Conference needs to revise its process of identifying emerging and most needed jobs

The executive directors of the Regional Workforce Boards believed that the Occupational Forecasting Conference's (OFC) process of identifying the most needed jobs needed revising. The conference was created by s. 216.136(10), *Florida Statutes,* for the purpose of identifying high-demand, high-wage occupations. This consensus-type conference uses Bureau of Labor Market and Performance Information data provided by the Department of Labor and Employment Security. Placement information from the Florida Employment Training Placement Information Program is also used to develop the list. Florida law required that the Occupational Forecasting Conference update the list annually in order to keep up with business and industry demand. [19]

Executive directors of 12 regional workforce development boards had concerns that the needs of the most recently emerging employers were not being met by the conference. They maintained that the list is based on historical data, not projections based on emerging need. Their concern was that this situation affected high demand areas such as biotechnology, software applications, and information technology programs. There was also a concern that the process did not include local demands for jobs that paid low wages, such as childcare and nurse assistant programs. In some regions, placement rates in these areas are high due to local demand for these employees.

When the Occupational Forecasting Conference met in February 2000, they identified several weaknesses associated with developing the targeted occupations list.

- The unemployment compensation database, from which the conference derives its occupational data, uses a standard classification process that is not sensitive in identifying new and emerging jobs.
- The process does not identify local demand for low-wage occupations.

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[19] In Senate Bill 2050, the 2000 Legislature created the Agency for Workforce Innovation and assigned the agency most of the workforce programs formerly administered by the Department of Labor and Employment Security. The Legislature also expanded the scope and membership of the Occupational Forecasting Conference, named it the Workforce Estimating Conference, and now requires bi-annual estimating conferences.

- The occupational data do not provide information on benefits provided by Florida employers.

The conference is continuing to identify problems and develop measures to improve the process of identifying high demand jobs across regions. At its February 2001 meeting, the Workforce Estimating Conference stressed the importance of the inclusion of regional data in determining occupations to be added to the targeted list. They agreed to allow local inclusion of occupations for those jobs where placement wages are higher than the average. This provision would be made through regional adjustment. The conference also agreed to raise the average wage for high skills/high wages jobs from $12.00 to $13.86 and the entry-level wage from $8.58 to $10.05 for the targeted occupations list. This wage increase resulted in fewer occupations on the high skills/high wages list.

High technology programs need to be updated and more accessible to the working public

Provision of high technology programs. The Regional Workforce Boards were split in their assessment of the system's performance in developing programs that adequately served their local information technology needs. They cited problems such as how the tight labor market created a need for more high technology graduates. Several directors maintained that high technology training was the largest unmet need in providing a sufficient number of graduates to meet business demand. They were concerned that high technology courses were not offered at locations and during times convenient to those who wanted to upgrade their skills while working full-time. There was also a concern about the lack of additional funding to upgrade classroom equipment to keep up with changing technology. Business representatives reported concerns regarding skills attained by graduates of high technology programs. They indicated that often students' skills do not match business needs and the equipment used for student training is not as up-to-date as equipment used by the business community.

Businesses view internships and apprenticeships as valuable sources of quality training for potential employees

More hands-on training (apprenticeships/internships). The survey participants reported that they wanted to increase apprenticeship and internship agreements between the business and education sectors. Participants viewed these opportunities as a means to provide the hands-on experience employees need to be able to solve actual work problems. They felt that the classroom setting was not sufficient to expose students to real-life work situations. When asked how the certificate and associate in science programs in educational institutions could be improved, nearly half of the businesses replied that more on-the-job training, apprenticeships, or internships should be provided. The types of businesses that desired these programs included construction, heavy industry, electrical contractors, engine remanufacturing, and heating and air contractors. An upcoming OPPAGA report reviews the apprenticeship program. One issue that the report is required to address is increasing the number of people who successfully complete apprenticeship programs.

Chapter 3

How Effective Is the Performance-Based Funding System?

The implementation of the performance-based funding system has caused major changes in the delivery of workforce development education programs at both the local and state levels. The performance-based funding formula's use of occupational completion points and literacy completion points has proven to be both beneficial and complex for local administrators. Since the funding process is driven by completions and placements, local providers have restructured their curricula to offer more high-skills/high-wage programs and eliminate poorly performing programs.

Local administrators identified specific concerns with the performance-based funding formula, such as how the formula requires community colleges and school districts to compete for performance funds. Another concern is that, under the formula, local providers can experience a decrease in overall funding even if institutional performance improves. State officials are recommending to the Legislature that revisions be made to the formula to help address these concerns. Our analysis of the formula revealed that structural changes between the first and second year of its use prohibited the formula from being used to effectively evaluate program performance over time. The department expected that changes to the formula would occur since the first iteration of the formula was prepared using completion and placement data that had been submitted by school districts and community colleges prior to the enactment of the Workforce Development Education Program Fund.

Performance-based funding system

Florida's standardized system of performance measures has enabled the state to take the lead in transforming the workforce development education funding process from a system based on number of students served to one partially based on completions and job placement. [20]

Performance has played an increasingly important role in funding

The Legislature instituted a performance-based approach to funding workforce development education in 1994, when it created the Performance-Based Incentive Fund. This initiative rewarded community colleges for providing training for high-skills/high-wage occupations identified by a newly created Occupational Forecasting Conference.

[20] Performance measures provided for in s. 239.115, *F.S.*

In 1996, the Legislature funded performance for community college workforce development programs under the performance-based program budgeting system. This system provided additional rewards to community colleges for program outcomes such as job placements and earnings of program completers.

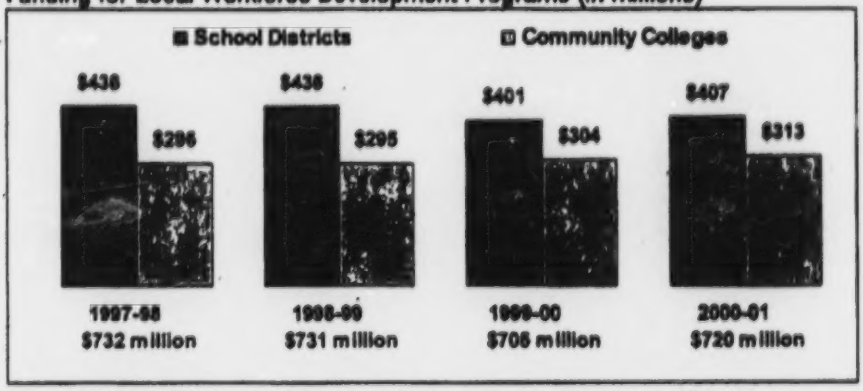
Performance-based funding process includes several steps

In Fiscal Year 1997-98, the Legislature created the Workforce Development Education Program Fund and established a system for allocating funds based on program performance. Section 239.115, *Florida Statutes*, provides for the distribution of base and performance funds as outlined below.

- Base funding is not to exceed 85% of the prior year's total allocation from base and performance funds.
- Performance-based funding is to be at least 15% of the current fiscal year allocation. These performance funds are based on prior year completions and placements.
- In the event an institution achieves a level of performance to generate a full allocation, the institution may earn incentive funds to be added to the performance funds. [21]

In Fiscal Years 1997-98 and 1998-99, data were not yet available to allocate funds based on program outcomes. Fiscal Year 1999-2000 was the first year that the performance-based funding formula was used to allocate workforce funds based on performance outcomes reported by local providers. Overall allocations for workforce programs remained basically the same for the first three years. The 2000 Legislature increased funding levels for the program. Exhibit 20 shows the funding levels for the past four funding years. [22]

Exhibit 20
Funding for Local Workforce Development Programs (In millions)



Source: Workforce Education and Outcome Information Services, Department of Education.

[21] The Legislature has not yet implemented this component of the Workforce Development Education Program Fund.

[22] In 1999-2000, the Legislature removed funding for adults with disabilities from the overall workforce allocation and provided a separate appropriation for that program.

Completions and placements drive performance-based funding

To receive performance-based funding, community colleges and school districts report their completions and placements to the Department of Education three times per year. Each institution accrues points when a student completes a number of courses, a program of study, or is placed in a job. These points are weighted based on the type of student served, the type of program completed, and the level of employment obtained. After the points are weighted, they are added together to determine each institution's funding level. An institution may also receive credit for a student who completes only a portion of a program, as long as the student completes an occupational completion point or literacy completion point. The eight-step process used to calculate the workforce development education allocation for each institution is explained in detail in Appendix G on page 74.

Inclusion of completion points in the formula is controversial

We received a wide range of comments from community college and school district administrators on the use of completion points. These comments ranged from very favorable to the desire to eliminate them from the funding formula. One administrator maintained that reporting the data needed to receive performance-based funding has created an "administrative nightmare." State officials are confident that occupational completion points (OCPs) and literacy completion points (LCPs) will prove to be an asset if they are developed in a consistent manner and implemented accurately.

OCPs and LCPs were developed in an effort to identify benchmarks of student accomplishment. OCPs are "stop-out" points in a program, permitting a student to obtain a marketable skill, even if the student has to leave before completing the program. Literacy completion points are earned in the adult general education programs when students demonstrate that they have mastered certain skills or have passed competency tests.[23] In Appendix C on page 66 we provide examples of occupational completion points and literacy completion points.

The use of Occupational Completion Points (OCP) and Literacy Completion Points (LCP) has increased the reporting responsibilities for educational institutions

Most of the local institutions we visited have changed their reporting systems to accommodate OCPs and LCPs. Some administrators favored their use and view the completion points as an aid in tracking student progress and students who leave with marketable skills even though they do not complete a program. Institutional staff also use these points to advise students on what courses are needed for a particular occupation and to design programs to meet local business and industry needs.

The local community colleges and school districts reported varying degrees of success in their efforts to modify their data collection systems to capture OCP and LCP completions by students. Although state funding was provided to assist the local providers in upgrading their data

[23] Adult education programs are designed to improve employability skills of adults through basic (0 to grade 8.9) and general (grades 9 to 12) programs, English language courses, and vocational preparatory courses, such as resume' preparation and interviewing skills. Students participate in classroom settings and/or use computer-assisted training to master skills in mathematics, reading, and language skills and are tested at regular intervals to determine the level of competencies achieved.

systems, some local administrators reported ongoing data collection problems. For example, changes to the funding formula required recoding of local data. Institutions are also experiencing difficulty matching standard occupational titles with occupations in the Department of Education's database.

To help alleviate problems associated with reporting the most accurate occupational titles, the department, in coordination with the Agency for Workforce Innovation, is currently phasing in the Occupational Information Network, O*Net. O*Net is a database containing information on job requirements and worker competencies and was developed for the U.S. Department of Labor to replace the Dictionary of Occupational Titles. The system provides a way to crosswalk occupations and skills matching and will help the department identify skills sets that are not captured by the Dictionary of Occupational Titles. Several states have used O*Net for the purpose of identifying emerging and evolving occupations. Department officials hope that O*Net will be completely phased in by 2003.

Another concern expressed by local administrators was that each institution uses different standards in determining when a student completes an OCP. Even though state administrators worked with community colleges and school districts to establish standard lengths for OCPs, a student may take more or less time than the standard length to attain an OCP. Since the funding formula is based on the standard program length, local administrators indicated fair and consistent measures are needed for equitable distribution of funds. Others described problems associated with program length stemming from an institution's inability to obtain performance funds for two-year associate in science programs with only one OCP. Frequently, students drop out of these programs before completion, resulting in no performance reward.

Institutions do not receive performance-based funding for students before attainment of an OCP

Administrators maintained that receiving no performance award is particularly a problem in information technology programs, since employers are willing to hire students after they have learned a needed skill by taking only a few classes, but not completing an OCP. This problem could be addressed in part if the OCPs were adjusted to better match the skills desired by such employers.

State officials expressed confidence that the OCP process will improve

Department of Education officials expressed confidence that the OCP process will improve as institutional staffs receive training by the department and the system matures. They maintain that it is important that the OCP process remain flexible since the institutions need to develop their programs to meet the changing needs of local businesses.

Institutions are also rewarded through a weighting process

In addition to receiving credit for occupational and literacy completion points, the formula also rewards institutions for targeting occupations and students who are economically disadvantaged. If a student obtains a

position in a targeted occupation, the institution receives a higher weight to correspond to the placement and salary received. Institutions are also provided additional weights for performance outcomes for

- dislocated workers,
- WAGES participants,
- economically disadvantaged students,
- disabled students, and
- English for Speakers of Other Languages students.

In Fiscal Year 1999-2000, the department dropped placement weights for targeted populations from the formula, but kept credit for completions for these targeted populations. A detailed listing of weights is provided in Appendix H on page 75.

Several years need to pass to fully gauge the effectiveness of the performance-based funding formula

Department of Education and Division of Community Colleges administrators report that since the performance-based funding formula system is so new, it has not yet fully realized its potential. Administrators expect performance increases in future years as they continue to work with local providers to develop occupational completion points that match skills needed by businesses in Florida.

Florida leads the nation in tying workforce education funding to outcomes

Florida has led the nation in rewarding community colleges and school districts for performance in providing training for high-skills/high-wage occupations. Some other states use a variety of funding processes and performance measures as incentives for good workforce education performance. (See Appendix I on page 76.) In a recent study of five states (Florida, Washington, Illinois, South Carolina, and California) notable for developing measures linking performance to funding, the American Association of Community Colleges found that Florida has taken extra steps to develop methods that link program completions and placements to institutional funding.[24]

Florida bases a higher percentage of funding on performance than do other states

Each of these states has a different method of allocating funds. Washington withholds 1% of the system budget for each college to earn back through improved performance, compared to 15% in Florida. Illinois and California provide funding in addition to the base budget to improve performance. South Carolina has provided added disincentives for poor performance, but has allocated only $3 million for performance-based funding compared to Florida's approximately $112 million.

While not included in the five-state study, Texas and Oregon have developed performance measures to monitor programs. Texas has developed a system of performance measures that includes employment rates and post-program earnings. However, the measures presently are being used to monitor strengths and weaknesses, not to fund programs.

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[24] *Performance Based Funding – A Review of Five States*, American Association of Community Colleges, August 23, 1999.

Oregon has developed performance measures for workforce development programs, but only as a means to determine progress.

These states have developed performance measures that are market-oriented and are intended to address the needs of business and industry. Typically, the states use measures similar to Florida's, such as job wages and attainment of a skill. However, Florida's system has the added benefit of determining institutional performance based on the number of occupational or literacy completion points attained.

Effects of Performance-Based Funding——

Workforce education administrators have taken positive steps to adjust their programs in response to the performance-based funding system. Many have found that there is a fine balance between providing programs that students and local businesses need while also providing the courses and programs that yield the most performance-based funding value.

The performance-based funding formula has caused operational changes statewide

According to the local workforce education administrators that we interviewed, tying funding to performance has motivated institutions to produce higher numbers of completions and placements in targeted jobs. School districts and community colleges are taking a closer look at program offerings and how they match business and community need. They are also providing additional instruction and counseling to insure higher completions and placements.

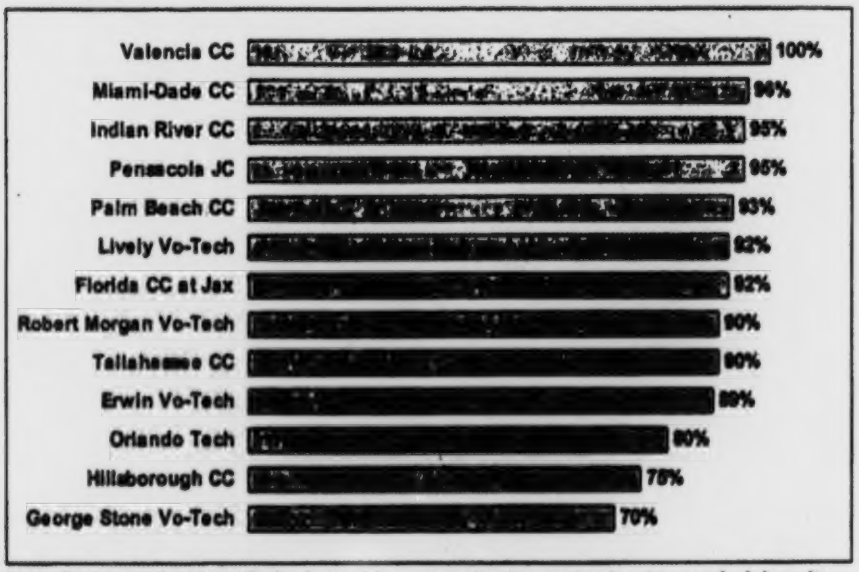
Administrators also have taken steps, such as improving their data reporting, to ensure that their institutions properly obtain credit for program completions and job placements. They have also strengthened their counseling efforts to place the students in the proper programs and have provided placement assistance when students complete programs.

Institutions also have sought to increase performance by strengthening partnerships with local business and industry. These efforts have included surveying local businesses to gauge satisfaction with graduates and hiring personnel that specialize in identifying industry needs.

Administrators focus on programs leading to jobs in high skill high wage occupations

Change in program offerings. The formula has caused administrators to focus on high-skills/high-wage jobs because of their higher funding value. Administrators at the majority of institutions we visited indicated that they had in excess of 90% of their programs on the high-skills/high-wage list identified by the Occupational Forecasting Conference. (See Exhibit 21.)

Exhibit 21
Percentage of Programs That Train for High-Skills/High-Wage Occupations



Note: Percentage for Miami-Dade obtained from averaging its associate in science and adult credit certificate program percentages.

Source: Data obtained during site visits to community colleges and school districts.

With the shift to performance-based funding, administrators have had to take a closer look at whether or not to continue providing low-performing programs or programs with few completions or placements. To help in making these determinations, several institutions have developed or strengthened program reviews to establish whether or not programs should be continued, eliminated, or consolidated.

When making these decisions, administrators are mindful that community colleges and vocational-technical centers both have an obligation to serve the community. Even though programs such as childcare and nursing assistant do not yield high performance values, they are needed by sectors of the population. For example, students coming off welfare may not meet the scholastic requirements for high-skills/high-wage training programs. However, childcare and nursing assistant programs provide these individuals the first step to higher-paying positions. Florida law also requires that at least one employee in a childcare center possess a childcare associate credential, and community colleges and vocational technical centers help meet the need for this requirement.[25]

[25] Section 402.305(3)(a), *F.S.*

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Local administrators identified programs with best performance outcomes

Health programs were the most commonly cited high-performing programs provided by the school districts and community colleges in terms of attaining completions, job placements, and high earnings. Administrators reasoned that this was due to the high demand for these graduates. Also, these programs require licensure or certification that provides an incentive for the students to complete the program. Law enforcement programs were also given as examples of high-performing programs. Administrators believe that completion and placement rates are high for these programs since they have selective admission requirements that attract only the most dedicated students. Moreover, law enforcement programs serve federal, state, county, and local government agencies, with many of the students already placed within the system.

The institutions reported that some low-performing programs fail to perform due to low demand or when local need has been sufficiently met. This was the case when two institutions discontinued their radiation therapy and vision care programs. Programs can also suffer performance decreases when businesses and industries close or relocate. For example, one institution closed a professional pilot and electrical power technician program due to the lack of demand after two businesses relocated.

Focus on completions. Administrators reported efforts to strengthen their systems to monitor student progress and work with students who fall behind in their coursework or fail to attend classes. Some institutions have developed computerized systems that generate letters to students who are performing poorly. Administrators also reported that they emphasize staff and instructor understanding of occupational completion points and literacy completion points, since funding is linked to these completions. Two vocational-technical centers took steps to increase completions by tying teacher performance to student outcomes. These institutions emphasized in-service training for teachers and instructors to enhance skills in working with students to make sure they complete their programs and obtain high-paying jobs.

Focus on placements. Many administrators report assisting students in obtaining high-skills/high-wage jobs because of the higher weights assigned to those placements in the funding formula. Some institutions have established placement offices or hired additional counselors with business expertise to assist students with career transition.

Data collection changes. Institutions reported that they also have revamped their internal data collection efforts by developing new systems and providing training programs to administrative staff to ensure correct and accurate data entry. Several institutions have hired information systems specialists to handle the increase in data collection. Assistance is also provided by the Department of Education through database workshops held in strategic locations throughout the state. In the event that institutions are not able to send representatives, department staff contact the institutions directly and review with them the procedures

needed to collect and submit their data. The department also provides "correction windows" which provides the institutions time to correct data already submitted.

Formula cannot be used to evaluate program performance over time

As part of our analysis of the performance-based funding formula, we attempted to compare institutional performance over time to establish the effect the formula had on performance. Because the formula rewarded performance outcomes differently in the second year than in the first, we could not effectively compare the two years to evaluate program performance. The department expected that changes to the formula would occur since the first iteration of the formula was prepared using completion and placement data that had been submitted by school districts and community colleges prior to the enactment of the Workforce Development Education Program Fund. The formula changed significantly the second year with the use of occupational completion points instead of program completions, the redesign of literacy completion points, and the elimination of an unemployment compensation factor used in the first year. A two-year comparison of institutional performance will be possible after the 2002 formula year.

Occupational completion points. The department used different methods to determine occupational completion points in the first and second years of implementing the performance funding formula. The 1997 Legislature created occupational completion points to reward performance for local providers for students who completed most of the course requirements for a program, but entered the job market prior to graduation. The department worked with local providers to identify exit points within programs in which students have marketable skills and required local providers to report the resulting occupational completion points. This reporting change was not in place when the performance formula was used to allocate funds in 1999-2000, but was used for 2000-01.

Literacy completion points. The department also used different methods for determining LCP completion in the first and second years of implementing the formula. The 1998 Legislature required the department to develop intermediate performance outcomes for adult general education programs (literacy, secondary and postsecondary education, and English for Speakers of Other Languages). These intermediate reporting points were called literacy completion points. Prior to the development of literacy completion points, the state collected data on students who completed GEDs, but had no comprehensive system for capturing the performance of general education programs. Some of the data elements were added to report literacy completion points in the first year of the performance-based funding formula, and more were added in the second year. In the second year, department officials also refined the

rewards for literacy completion points to more accurately reflect the effort required by local providers. See Appendix C on page 66 for examples of LCPs.

Unemployment compensation factor. In the first year of implementing the formula, an unemployment factor was used in calculating performance. It was not used in the second year. Florida law provides that the performance-based funding formula may include adjustments in payments for job placements for areas of high unemployment.[26] The Department of Education adjusted the performance-based funding formula in 1999-2000 by adding weights for performance in areas of high unemployment. The change provided a higher level of compensation in those areas where it was more difficult to place program completers. For the second year of the formula, the department recommended funding the unemployment factor with funds separate from the performance funding formula, since counties with low employment were benefiting at the expense of counties with high employment. For example, if a community college's service area included multiple counties with low employment, the college would receive a larger compensation. The unemployment factor was dropped after the Legislature chose not to fund this portion of the formula.

Evaluating performance over time. A comparison of performance between funding years will have greater validity only after a sufficient amount of time passes using the same criteria each year to reward performance outcomes. In addition, community colleges and school districts have not yet completed their development of a consistent system of occupational and literacy completion points. This consistency is critical to the fair and accurate analysis of institutional performance between systems.

Performance-Based Funding Concerns

Administrators report that the formula has caused positive changes at the institutional level

Community college and school district administrators generally had positive comments about the performance-based funding formula in that it prompted them to re-evaluate their program offerings. Since the formula is geared toward high-skills/high-wage completions and placements, administrators have found it a useful tool in eliminating programs that were performing poorly in terms of enrollment and other criteria.

Administrators also found fault with the formula and provided concrete reasons for wanting revisions

Although the administrators generally indicated that more time needs to pass before the effect of the performance-based funding formula can be fully gauged, several expressed concerns that the formula is complex and has unanticipated outcomes. These concerns are discussed below.

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[26] Section 239.115(9)(b), *F.S.*

Competing for performance funds. Because the formula is based on an 85% prior year funding model with a 15% performance incentive based on completions and placements, we frequently heard that the formula is a "zero-sum game." The zero-sum effect is created by the necessity for community colleges and school districts to compete with each other for the 15% performance-based funding. The earnings under the 15% performance-based funding are dependent upon overall system performance.[27] Administrators maintain that even if an institution earned more under the 2000-01 funding formula, it could experience decreases in overall funding, because the earnings in 2000-01 were not sufficient to offset the impact of having 85% of the funding based on the prior year's performance.

Our analysis showed that seven counties and one community college experienced decreases in overall funding, even though they earned more under the 2000-01 funding formula than the 1999-2000 funding formula. For these local providers, the increased earnings in 2000-01 were not sufficient to offset lower performance under the 1999-2000 formula. (See Exhibit 22.) Department officials described this as the "legacy" effect. They described the "legacy" effect as the cumulative effect of performance with prior year's funding used to calculate the 85% base funding each year. Gains or losses in performance-based funding can impact overall funding levels for several years. For example, in 2000-01, Broward County received $8.1 million in performance-based funding which was much higher than the $3.9 million received in the prior year. Broward needed to earn $11.2 million to maintain 1999-2000 funding levels. In 2001-02, Broward County's base will be $61.6 million (85% of $72.5 million), and the county will need to earn $12.9 million to reach the level of funding received in 1999-2000.

[27] Under performance-based funding, the Department of Education determine the value points earned for performance outcomes (completions, earnings at placement) based upon the total number of points generated by the entire system divided by the total amount of funds appropriated by the Legislature.

Exhibit 22
Some Local Providers Earned More Under the 2000-01 Funding Formula, but Experienced Decreases in Overall Funding

	1999-2000		2000-01	
Local Providers	Performance-Based Funding	Overall Funding	Performance-Based Funding	Overall Funding
Broward County	$3,934,812	$ 74,519,785	$ 8,082,322	$ 72,459,887
Collier County	503,086	7,431,736	878,699	7,321,979
Florida Keys Community College	138,179	2,158,049	262,575	2,118,383
Gadsden County	31,167	646,740	95,014	644,854
Jefferson County	6,996	213,656	15,252	205,326
Martin County	86,691	2,582,785	276,431	2,471,799
Miami-Dade County	7,686,738	109,138,295	13,985,618	107,122,464
St. Johns County	603,801	6,549,756	913,941	6,515,855

Source: OPPAGA analysis of data provided by Workforce Education and Outcome Information Services, Department of Education.

Administrators would like additional start-up funds for new programs

Formula does not provide start-up funds for new programs. Several institutions reported that the formula has harmed institutional operations by not providing funds to start new programs. Administrators have had to shift funds from existing programs in order to continue new programs established with Capitalization Incentive Grants. They reported that most programs developed for targeted list jobs require high levels of investment. To address this issue, institutions would like to see the development of a two- or three-year grace period for establishing new programs, since it takes that much time to generate the completions and placements needed to receive performance dollars.

Counties that border neighboring states or have high immigrant populations have unique problems with the formula

Some concerns are county-specific. Administrators from institutions located in counties that border other states have unique issues with the formula. Many of their completers find jobs in neighboring states, but these institutions do not receive credit for these placements. Even though the institutions are allowed to supplement Department of Education placement data with their locally collected placement data, they maintain that the formula is negligent in rewarding these placements. All placements submitted from locally collected data are treated as level one placements, even though the salaries would have qualified for level two or level three. Level one placements receive less funding than levels two or three. A student placed in a high-wage job in another state would be considered a level one placement. Administrators also note that the formula does not capture completers who become self-employed.

Lack of Social Security information causes problems. Administrators in counties containing large populations of immigrants have problems with the formula's dependence on Social Security numbers to track students. They maintain that students are not required to provide social security

information, since it is given on a voluntary basis. Local administrators report that since some students mistrust authority, they refuse to provide this information. The Department of Education works with the institutions to allow partial placement credit for those students with no Social Security information.

Some low-performing programs that are needed locally are not rewarded. Administrators reported that they have had to take a closer look at whether to continue providing low-performing programs such as childcare and nursing assistant. These programs are needed by their communities and serve citizens that have low skills, but receive less value from the funding formula.

A fixed value per point would allow administrators to better plan their program offerings

Administrators would like to see the establishment of a standard value per point. Administrators at several institutions wanted a point value that would not fluctuate from year to year. For example, administrators at one institution maintained that the point value should be computed in a way that each institution would be funded based on the number of points earned multiplied by the same point value for all institutions. They asserted that this would resolve funding inequities that were included in the Workforce Development Education Fund when it was created in Fiscal Year 1997-98 and allocations were based on historical funding. Under the present system, the value of a point fluctuates so that in the event of a 15% statewide average performance increase, a 10% increase at one institution would result in a loss of funding. The administrators claimed that having a standard value per point would allow institutions to plan better, since administrators would know the value of their performance scores every year, rather than experiencing fluctuations.

State officials propose changes to the funding formula

Department of Education officials wish to maintain the funding formula in its present form, with modifications to improve its functionality. The performance-based funding formula adheres to the provisions of the Florida Workforce Development Education Fund. State administrators said that extensive system changes were required to implement the funding formula. According to the administrators, the system needs time to mature and allow time to benefit from the resources devoted to improved reporting of performance outcomes under the formula. They are sensitive to the issues raised by community colleges and school districts and are in the process of developing recommendations to the Legislature to revise the performance-based funding formula that would lessen existing problems with the formula, as well as improve institutional performance. These revisions are discussed below.

Officials plan modifications of the performance-based funding formula

Establish a fixed price per point. Establishment of a fixed price per point would enable the institutions to determine how much a completion is worth and to predict earnings. During the first year of using the formula, institutions needed to "back into" the system because of the lack of performance/completion data and because there were no additional dollars to plan new programs. With the fixed price, institutions could project the amount needed to propose their appropriation needs. Department officials indicated they want to establish a fixed price per point and brought this issue before the 2001 Legislature, which did not establish the fixed price proposed by the department officials.

The Council for Education Policy Research and Improvement (CEPRI) addressed a fixed-point value in its December 2000 report on workforce development funding issues. CEPRI was concerned by the variation in the point value each year that results from the total dollars assigned in each category (adult general, associate in science, certificate programs) being divided by the total points earned by local providers. As more points are generated, the point value decreases. CEPRI recommends a fixed price per point be determined, but that will not be possible until the funding process is realigned to more accurately reflect expenditures in each program. CEPRI is also working with department officials to develop a system for identifying program costs.

Further information is needed to determine if program length is an appropriate proxy for cost. Florida law requires the use of program cost as a means to calculate funding. However, the Legislature allowed the use of program length as a proxy for cost until the time that sufficient data are available to establish program cost. In order to more accurately determine costs associated with the different workforce funding categories (associate in science, vocational certificate, and adult general education), CEPRI proposed in its December 2000 report that the community colleges and school districts submit data at a higher level of detail to the department. They proposed that institutions should at first submit this more detailed data for the programs that make up the majority of performance in each funding category, instead of submitting for the entire slate of programs. However, the council noted that the submission of more detailed cost data would place a burden on community colleges and school districts since they will have to change their data systems in order to capture this higher level of data.

CEPRI discusses the findings of its analyses of length as a proxy for cost in their draft report to be published December 1, 2001. The council concluded that when analyzing the level of data currently reported by community colleges and school districts, that program length is an accurate proxy for cost. However, CEPRI indicates in its draft that further information is necessary to determine whether or not program cost needs to be taken into account in the formula.

The department is also considering revisions in the weighting method to address institutional concerns on how to deal with special populations, such as English for Speakers of Other Language (ESOL) groups. During the construction of the formula, programs were targeted at ESOL populations since they were deemed to be the most difficult to train. Officials have since established that the adult disabled group is the most difficult to train, and there is a concern that schools are being overcompensated for ESOL completers. The weights need to be refined to more accurately compensate institutions for targeted populations.

The formula revisions proposed by the department are reasonable and increase the ability for institutions to report completions and placements that more accurately reflect true performance. However, it is important that once these final modifications are made, that the formula remain constant in order to more accurately analyze institutional performance over time.

Chapter 4

Is There a Best Way to Structure Workforce Development System Governance?

There is an ongoing controversy concerning whether workforce development programs should be consolidated under community colleges or continue to be offered by both school districts and community colleges. Community college proponents cite the different missions of the two systems and numerous potential efficiencies associated with such a consolidation, while the school districts note the success of the current program, the nature of the students served by school districts, and the costs associated with consolidation. We discuss several issues that should be considered prior to making a decision concerning the consolidation of postsecondary workforce education programs.

Florida has a dual delivery system for postsecondary workforce education programs

School districts and community colleges provide postsecondary workforce development programs

The delivery of postsecondary workforce development education in Florida is currently divided between school districts and community colleges. Forty-eight of the Florida's 67 school districts and each of the 28 community colleges offer postsecondary vocational workforce development education. Most of the program delivery in school districts is provided at 38 technical centers that served multiple school districts. However, delivery also takes place at high schools and community centers, and on business sites. Each of the state's 28 community colleges offers the associate in science degree and 25 community colleges offer adult certificates. Community colleges also offer workforce education programs at multiple sites. Finally, 57 of the 67 school districts currently offer Adult General Education programs, while 18 of the 28 community colleges offer such programs.

The Legislature has shown interest in consolidating workforce programs under the community college system

The dual system of delivery for postsecondary workforce development education in Florida has generated considerable controversy. It is currently possible to consolidate workforce programs by local choice under either the school district or the community college in a given workforce region. An earlier OPPAGA examination (*Review of Postsecondary Vocational Programs,* Report No. 95-25, January 9, 1996)

concluded that the current system was often characterized by duplicative program offerings in the same district that performed poorly in providing training useful for the job market. In part for this reason, statewide advocacy for consolidation has developed. During the 2000 session, the Florida Legislature considered Senate Bill 1208 that proposed statewide consolidation under community colleges. While the bill did not pass, the fact that it was seriously considered suggests strong interest in the consolidation of workforce development education efforts.

Postsecondary workforce development programs were consolidated under community colleges in Brevard, Daytona, and Duval counties several years ago. Two counties—Palm Beach and Martin—recently made decisions to consolidate the delivery of all workforce development education programs, except adult general education, under Palm Beach Community College and Indian River Community College, respectively. However, many within the school district community have voiced opposition to a legislatively mandated consolidation. The school districts would prefer that the current system of dual delivery be continued, with any decisions concerning consolidation made at the local level.

In order to examine the consolidation issue, we interviewed personnel of community colleges and school districts and reviewed other states' systems. We also reviewed the consolidation experiences of Palm Beach School District/Palm Beach Community College, Martin County School District/Indian River Community College, and Leon County School District/Tallahassee Community College to determine the nature of their experiences when transferring workforce programs.

Consolidation continues to be a divisive issue

Pro-consolidation views center on mission and efficiency

The consolidation of postsecondary workforce education programs within the community college system remains a very divisive issue between the school districts and community colleges. Exhibit 23 highlights the many differences of opinion. The community college view is that consolidation will allow community colleges to continue their mission of serving adult students, while allowing the school districts to focus on their primary mission of providing K-12 educational services. This view holds that such a consolidation would present a single point of contact for students and businesses, thereby serving to remove confusion as to where programs and their graduates are available. Proponents of consolidation suggest that long-term cost savings would result from reduced duplication of programs and administrative costs.

Exhibit 23
The Two Positions on Consolidation Center on Students Served, Cost-Efficiencies, and Better Serving Industry

Issue	Pro-Consolidation (Community College View)	Anti-Consolidation (School District View)
Duplication	• Consolidation will eliminate duplication and reduce administrative costs. • Private firms will continue to provide competition.	• The existing system encourages competition, choice, and efficiency and broadens customer choice. • There is no evidence to support the argument that administrative costs will be reduced.
Mission	• It is the community college mission to provide educational services to adults. • Consolidation will allow the school districts to focus on their primary mission, of K-12 education.	• The primary mission of community colleges is college prep and college credit instruction. Consolidation will divert them from this primary mission. • Workforce development is the sole mission and purpose of the technical centers.
Service to Industry	• Consolidation will improve service by providing single points of delivery in a jurisdiction and more rapid response to industry needs.	• School districts are in a better position to understand and meet the needs of local business and industries. • The current system is responsive to business and industry.
Service to Students	• Consolidation under community colleges will raise the prestige of the credentials students will receive. • Community college completers earn more, on average, than school district completers. • Consolidation will provide a single point of entry and reduce student confusion. • More services will be available to students.	• School districts are better qualified to serve special category students including adult students, disabled students, students with limited English proficiency, and economically disadvantaged students. Such students may feel intimidated in a community college setting.
Facilities Maintenance	• School districts' primary focus on K-12 facilities leads to the neglect of postsecondary facilities. • It will allow unified planning for facilities planning, funding, and construction.	• The Workforce Development Fund introduced through Senate Bill 1688 allocates money specifically to workforce development education programs, making it impossible for school districts to divert funds.
Cost	• The long-term savings from reduced administrative costs will offset the short-term costs of consolidation.	• Billions of dollars will be required to implement consolidation, to renovate existing facilities, and to build new facilities at community colleges.
Service to Taxpayers	• Lowers administrative costs • Focused accountability	• There would be a potential loss of faculty/staff positions.

Source: School district's position paper on Workforce Development Education, representing all school districts, January 2000; Florida Association for Career and Technical Education, information provided by the Division of Community Colleges; Amended Fiscal Impact of the Workforce Development Consolation Bill (April 2000); *Final Recommendations of the Commissioner of Education's Workforce Development Task Force* (March 2000); *Support Summary for Local Control of Workforce Education Program* (February 2000); OPPAGA interviews with community college and school district staff.

Anti-consolidation views focus on competition and choice, experience, and students served

The anti-consolidation viewpoint, held by the school districts, is that the current system provides both competition and choice to students and businesses. It is their position that the current system is operating both effectively and efficiently, and that any decision concerning consolidation should only be made at the local level. The school districts point to their experience and performance in postsecondary workforce development education programs and to support from the business community as additional reasons for counties and local municipalities to support local control. The school districts claim that the most needy of students could be intimidated by the prospect of attending classes at a community college. Finally, there is concern that consolidation will result in significant costs from building new or renovating existing facilities, and purchasing needed equipment.

Recent consolidations, though voluntary, have been both amicable and contentious. In Palm Beach County and Martin County, the local school boards voluntarily transferred adult vocational certificate programs to the community colleges. In Martin County, the consolidation was amicable. The school district transferred equipment and facilities to Indian River Community College. The community college hired all school district instructors who applied for jobs. The Palm Beach County consolidation was very contentious. The superintendent of schools spearheaded the transfer near the end of a four-year term, and subsequently obtained employment with Palm Beach Community College. The community college hired few of the school district instructors. The school district did not transfer all equipment and facilities to the community college. At the time of our field visits, school district representatives were still unhappy with the transfer and planned to use the former voc-tech centers for K-12 activities.

Workforce Education Systems in Other States

We examined other states in order to determine if there was a dominant governance structure for workforce development education, and found that delivery systems vary widely across states. Exhibit 24 provides a cross section of the delivery systems found. While some states have consolidated in recent years, there has not been a national trend of states going through a similar consolidation. However, it would appear that the majority of states rely on community colleges, technical colleges, and other entities to provide postsecondary adult vocational education.

Is There a Best Way to Structure Workforce Development System Governance?

Large states and southern states tend to have multiple entities providing adult vocational programs

States with large populations teach adult vocational programs in their community college systems and technical colleges. While there does not appear to be an overwhelming national trend toward consolidation, the activity that has occurred recently (i.e., Illinois, Kentucky, and Washington) has involved the consolidation of the workforce programs under community colleges. (See Exhibit 24.)

Most southern states offer their postsecondary workforce development programs using multiple entities. North Carolina, which consolidated its programs under community colleges in 1963, maintains a portion of the delivery under state universities. Two southern states have or are in the process of changing their workforce systems. Kentucky uses community colleges and technical colleges, but also uses school districts in regions where there are no community colleges. Georgia has a Department of Technical and Adult Education to oversee such programs and is in the process of moving from technical centers to technical colleges as providers of associate in science degrees, economic development, and adult general education. (See Exhibit 24.)

Exhibit 24
Other Southern States and Most Large States Provide Postsecondary Workforce Development Education Using Multiple Entities

State	Delivery Arrangement
Alabama	Provided by community colleges
Arkansas	Provided by community colleges and technical colleges
Louisiana	Provided by community colleges
North Carolina	Provided by community colleges and state universities
South Carolina	Provided by community colleges
Kentucky[1]	Mostly run by community colleges or technical schools; local school districts are only involved when there is no community college nearby
Georgia	Provided by technical centers; shifting to technical colleges
Florida	Provided by community colleges and school districts
Mississippi [1]	Provided by multiple entities
Virginia	Provided by community colleges and vocational-technical schools
Texas	Provided by community colleges and technical colleges
California	Provided by community colleges
Michigan	Provided by community colleges, universities, and private vocational schools
Illinois	Provided by community colleges
New Jersey	Provided by community colleges and vocational-technical schools
New York	Provided primarily by community colleges (primarily) and school districts
Washington	Provided mostly by community colleges and technical colleges; some state and federal dollars may be channeled through private vocational schools.

[1] Kentucky and Mississippi are the only two states that, as Florida, have K-12 systems involved in postsecondary workforce development education.

Source: OPPAGA analysis and materials provided by the Division of Community Colleges.

Consolidation Considerations

There are several points that the Legislature should consider when determining whether to change the governance of Florida's postsecondary workforce education. Following are discussions of the key issues.

How will students currently enrolled in school district programs be affected?

Key constituencies affected by consolidation include the current and potential students of workforce programs provided by school districts. School districts indicate that they have traditionally served the neediest students, and that these students would not be comfortable attending a community college. If facilities were not exchanged, students might be forced to attend classes in unfamiliar and possibly more distant facilities, which could become an access issue that discourages school district students from following their program to a community college. In our review of student performance, we noted that students entering school district programs earned less than students entering community college workforce programs and that more minority students attended school district programs in the 1995-96 cohort. The community colleges counter that since most students do not move directly from high school to vocational programs, the students are older and better able to make the transition to a community college program. The Legislature should consider the effect of consolidation on students of school district programs, especially in terms of the whether or not they would continue their education at a community college.

The effect of consolidation in the two recent cases is mixed. Both Martin County School District and Indian River Community College officials suggested that the school district students who transferred to the community college were treated well. In Palm Beach County, community college officials claimed that such students had experienced little trouble in adjusting to the community college setting, but school district officials noted examples of students who were intimidated by the community college setting. They also cited the example of a transferring student who was told by the community college to take several remedial courses and was forced to take out another loan to finance this effort.

An additional student-oriented concern is the potential loss of competition between the delivery systems. One of the hallmarks of the current dual-delivery system in Florida is the existence of competition, with competition forcing the delivery systems to improve their programs in order to stay viable. Our analysis showed that the number of poorly performing programs decreased in the years examined. Community colleges contend that competition will continue between the colleges and from private training firms, and that students would be better served by collaboration between education providers and industry rather than competition between education providers.

Is There a Best Way to Structure Workforce Development System Governance?

How would consolidation affect faculty and staff?

The present faculty and staff at the school districts' technical centers are understandably concerned about their jobs if all workforce programs are transferred to the community colleges. A key issue in this regard appears to be the credentials of school district instructors versus those desired by the community colleges. The experience in Florida thus far is mixed with respect to the prospect of these instructors being hired by the community colleges. Only one Martin County School District instructor was not hired by Indian River Community College, and that was due to a dispute over benefits. In Palm Beach County, few school district instructors were immediately hired by Palm Beach Community College, although some have been subsequently hired. In the short term, many instructors may lose jobs, and decision makers will need to examine both the short- and long-term effects of consolidation on instructors in both delivery systems.

How would consolidation benefit the business community?

Another beneficiary of and key participant in the workforce education system is the local business and industrial community, which hires the graduates. Both delivery systems claim that they maintain close working relationships with businesses in their areas. However, the business community initiated both of the consolidations that have taken place in Florida. Community colleges contend that business and industry would benefit from having one point of entry into the workforce development system. The school districts suggest that the competition that currently exists benefits businesses by providing better-prepared students via constantly improving programs. The business communities in Martin and Palm Beach counties hoped that consolidation would lead to more efficient expenditure of taxpayer monies and more expanded program offerings. The consolidations are too recent to determine if those objectives have been met.

How would consolidation benefit the taxpayer?

It is the community college system position that consolidation would benefit taxpayers through improved efficiencies over time. This position holds that a seamless workforce system, with reduced administrative overhead and with the costs of duplicative programs eliminated, would serve to reduce system costs. However, there are concerns that consolidation would impose significant costs associated with the transition of the programs. There are also concerns that, in the event that school districts retain facilities previously used for workforce education for other purposes, community colleges would need to build new facilities, renovate existing facilities, and purchase new equipment. Recent experience with the transfer of school district programs to community colleges suggests that such transfers are not uniformly smooth, particularly with respect to school districts feeling that they have not been adequately compensated for the facilities and equipment that the community colleges have assumed. Further, one community college subsequently spent $600,000 to upgrade the facility previously operated by the school district.

There are no standardized procedures for transferring facilities and equipment in the event of program consolidation. [28] Given the shortage of space experienced by most school districts, it is unlikely that many facilities would be transferred. The districts and community colleges agree on the colleges paying to lease space in school district facilities, but find the valuation of potentially transferred facilities troublesome. A potential sticking point is that the amount of local taxpayer money that goes into a facility is difficult to calculate. It may be to the community colleges' advantage in such circumstances to build their own facilities as opposed to leasing space from the school districts, since lease payments would come out of operating expenses, while Public Education Capital Outlay (PECO) monies would fund construction. However, obtaining such funds may be difficult depending upon the number of projects competing for those funds.

The Legislature should determine the costs and savings associated with consolidation. The Legislature should also consider policies for handling the transfer of facilities and equipment in the event of consolidation.

[28] In its review of the Workforce Development Education Fund Appropriation for the Fiscal Year ending June 30, 2001, the Auditor General recommended that the Department of Education develop a formula for an equitable adjustment when programs are transferred between educational entities. In its response to the review, the Department of Education indicated the recommended formula will be designed by December 31, 2001. See Report No. 01-136 at http://sun6.dms.state.fl.us/audgen/pages/listpage.htm.

Chapter 5

Conclusions and Recommendations

Most students do not complete programs

The state's workforce development education system provides programs that are useful to industry and help students achieve economic self-sufficiency. However, completion rates in these programs are low—27.2% of the students who entered workforce education programs during the 1995-96 school year completed a program. Completion rates ranged from an average of 17% in community college associate in science degree programs to 47.8% in community college adult vocational certificate programs. Community college program completers earned more on average than school district completers, which is due, in part, to the different populations served by the two systems.

Programs with low completion rates may be a poor investment of the state's funds

We recommend that the Department of Education consider completion rates when awarding workforce development funding to local community colleges and school districts. When more than 75% of the students who enter programs leave prior to completing the workforce development program, the department should require local community colleges and school districts to show cause why these programs should be continued. Examples of just cause for programs with low completions are programs that are being phased out or new programs that have not yet begun to produce completers. Investing in programs with low completion rates may be a poor investment of the state's workforce development funds, because it is difficult to justify the cost of facilities and instruction. If the local community colleges and school districts cannot justify the costs of providing programs in which more than 75% of the students leave before completion, the Department of Education should no longer include the costs of these low-performing programs when allocating workforce development funds to local community colleges and school districts.

Program performance has improved

Between 1996-97 and 1998-99, workforce programs produced more positive outcomes with higher employment rates and higher average beginning wages for program completers than in the previous four years. When both community colleges and school districts provide adult certificate programs within a workforce region each system has strengths based on the array of programs provided to meet local labor market demands. Community colleges adult certificate programs produce fewer

completers but provide higher average wages for completers. School districts produce more completers, but a high proportion of the completers completed programs such as those for patient care and childcare occupations, and earn lower wages. Both types of programs are needed to meet labor market demands and to serve the varied needs of students in workforce development education programs.

The department should require justification for providing programs with fewer than five completers

Although community colleges and school districts reduced the number of poorly performing programs due to improvements in employment rates and average wages for program completers, both systems still provided a number of programs in 1998-99 with fewer than five completers statewide. Both systems decreased the number of programs with low completions since 1998-99 by (1) combining similar programs, (2) developing occupational completions points to capture the points where students enter the job market, and (3) eliminating programs that do not increase completions.

The number of completions is one indicator of program success along with other factors such as the earnings of program completers and the proportion of completers who are employed. Workforce development programs (such as law enforcement and correctional officer, patient care technician, and early childhood education) that produce high numbers of completers are typically a good return on the state's investment of workforce funds. Economies of scale are possible when programs have large numbers of completers. Programs that produce few completers statewide may be a poor investment of workforce funds, because it is difficult to justify the cost of facilities and instruction.

We recommend that the Department of Education continue to encourage local community colleges and school districts to improve program performance by requiring local programs to justify providing any program that produces fewer than five completers. When local providers cannot show these programs are providing benefits that exceed the costs of providing the programs, the Department of Education should no longer include these low-performing programs when allocating workforce development funds to community colleges and school districts.

Businesses generally are satisfied

Florida businesses are generally satisfied with the quality of training that their employees receive from the workforce development education system. However, they would like to see more hands-on and practical experience that would make employees more "job ready." They believe that the increased use of apprenticeships and internships would help in this initiative. In the information technology field, there was an appeal for the more timely development of programs to meet the increasing need for high technology graduates. The executive directors of the regional workforce boards expressed concerns about the occupational forecasting

system, because it does not adequately identify demands for trained employees nor does it capture emerging occupations.

Prepare students by providing more apprenticeship programs

To better prepare students for actual work situations in the job setting, efforts should be made to expand apprenticeship and internship programs between the business and education communities. We recommend that the department encourage community colleges and school districts to work with their respective high skills/high wages committees to identify and develop internship and apprenticeship programs needed by the business community.

We also recommend that the Department of Education continue its efforts to develop a more timely process for identifying new and emerging occupations through the Workforce Estimating Conference and working with local community colleges and school districts to assist them in responding to local workforce demands. The list of high-demand, high-wage occupations developed by the conference should also be broadened to include low-wage jobs that have a high level of local demand and provide a first step to higher paying positions. Efforts to maintain a dialogue with the business community also should be strengthened in order to identify the most needed jobs.

Funding formula can be improved

Florida has taken the lead in transforming the workforce development education funding process from a system based on the number of students served to one based on performance. This initiative has required major structural changes at both the state and institutional levels. In order to accommodate the funding formula, local providers have found it necessary to make significant changes in their program offerings, as well as in their method of gathering and reporting data. In the course of making these changes, administrators have identified concerns with use of the funding formula.

Local administrators reported that the 85% basic funding allocations no longer reflect their current slate of workforce development programs. In our *Justification Review of the Community College System*, Report No. 98-06A, we recommend that the Legislature incorporate input-based funding factors (such as the number of students served or teacher hours) to help ensure that local providers receive funding that is suitable for the types of programs being provided and the level of students being served. The Legislature uses outcome measures in allocating the 15% performance-based funding as the basis for allocating funds. Input-based factors were used to determine the original 85% base allocations, but these factors have not been incorporated into the permanent funding process. Using these factors when allocating the 85% base should provide a better match between program effort and overall funding.

State-level officials shared many of the same concerns we received in our site visits to the community colleges and school districts. Our recommendations follow the revisions proposed by Department of Education officials. We recommend that the Legislature establish a standard value per point for earnings under the performance-based formula to enable administrators to predict and start new programs. Under the present system, the weights and point values fluctuate from year to year, making it impossible for institutions to plan new programs or predict revenues. In order to limit the amount of money the Legislature would be required to provide for performance-based program funding, a cap should be placed on the amount of funding earned by institutions under this system.

After necessary adjustments are made to the funding formula, the formula should remain consistent in order to allow for year-to-year performance comparisons

Because the formula changed substantially between the first and second years of implementation, we were unable to determine if performance improved in the second year. In order for the formula to be used as a tool to evaluate performance, we recommend that the Legislature limit revisions to the funding formula, after necessary changes are made, so that it can be applied consistently from year to year.

The Legislature should consider establishing a portion of the workforce development funds separate from the performance funding formula. These funds would be used to provide incentives to school districts and community colleges to accomplish policy objectives, such as rewarding more completers in needed programs. For example, in Fiscal Year 2000-01, the Legislature dedicated $15 million in new funding to the 15% performance-based funding formula. The Legislature could have opted to place $10 million into the formula and use the other $5 million for incentives to accomplish policy objectives. These incentive funds could also be used to provide rewards to local providers who improved performance but experienced a decrease in overall funding.

Governance issue controversial

There is an ongoing controversy concerning whether workforce development programs should be offered only by community colleges or continue to be offered by both school districts and community colleges. Community college proponents cite the different missions of the two systems and numerous efficiencies associated with such a consolidation, while the school districts note the success of the current program, the nature of the students served by school districts, and costs associated with consolidation.

The postsecondary workforce education experience in Florida and in other states suggests that there is not one agreed-upon optimal means of delivering postsecondary workforce education programs. The key issues in Florida involve

- how students attending such programs would be affected by the change;

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- cost savings and planning efficiencies that could result from the use of one system to provide the programs;
- the ability of the community college system to provide the necessary programs and absorb a large number of students;
- industry's reaction to consolidation;
- the impact of consolidation on faculty and staff; and
- the need for rural area outreach and childcare and nursing assistant programs.

Carefully consider all issues involved with consolidation before taking legislative action

Given the number of students, instructors, and staff affected, careful consideration of these issues is warranted prior to making a decision whether or not to consolidate. Florida's ability to compete as an economic leader largely rests upon its ability to provide a well-trained workforce that is capable of meeting industry's needs. Since the postsecondary workforce education system is one of the engines that provide such workers, a decision that could affect Florida's workforce offerings is very significant. We identified five options for addressing the consolidation issue and each option has advantages and disadvantages as shown in Exhibit 25.

Exhibit 25
Five Options Available for Addressing the Governance Issue —Each Option Has Advantages and Disadvantages

Option 1 - Keep the Dual Delivery System as Currently Organized

Advantages	Disadvantages
• Local workforce regions are already consolidating workforce programs and have the ability to do so without legislative action. • The system has been working successfully with two administrative entities and each system tends to specialize (community colleges in higher quality training and school districts in serving the disadvantaged and providing adult basic education). • The workforce system can avoid the costs associated with moving equipment and facilities from one system to the other and avoid struggles for control and lawsuits associated with appropriate levels of compensation when equipment and facilities are transferred. • Local workforce training staff can focus on providing quality training and discontinue using staff resources in efforts (lobbying local organizations and state legislators, attending and testifying at legislative committee meetings, etc.) to defeat consolidation initiatives. • Students have better access to workforce programs with both community colleges and school districts providing training in multiple locations. • Competition between government programs can be positive when both systems are striving to provide the best possible programs. • Some counties have formed cooperative agreements to reduce cost of training programs by sharing costs of instruction and facilities. Students from both systems are eligible for these programs.	• The workforce system will continue to incur any duplicate costs associated with having two systems administering the program both at the state level and at multiple locations throughout the state. • The workforce system will continue to incur any duplicate costs associated with maintaining two databases. Community colleges and school districts have separate data systems and report to separate divisions within the Department of Education. Both divisions have staff dedicated to collecting and disseminating data on performance of workforce development programs. • The business community has two administrative entities providing workforce programs, and that may cause confusion for business representatives when deciding whom to contact with workforce education questions. It may also be more difficult to get business input for workforce training programs, since most businesses are small and do not have time to devote to serving on workforce committees. Business input is necessary to ensure that workforce education programs are designed to local and state meet business needs. • Maintaining duplicate systems may increase the likelihood of providing duplicate programs that perform poorly, because the workforce demand is not high enough to support two programs. This scenario is more likely in occur in less heavily populated regions than in high population regions where there is a high demand for both community college and the school district workforce programs.

Option 2 - Move All Adult Certificate Programs to Community Colleges and Make No Changes in the Adult General Education Programs

Advantages	Disadvantages
• Business community would have one administrative entity providing the workforce training programs that provide vocational certificates or associate in science degrees, which might make it easier to obtain business input on the appropriate design for workforce education programs. • The workforce system may be able to reduce local and state level administrative costs if community colleges are the only local providers of certificate and degree programs. • Five of the 28 workforce regions will not be affected if all certificate and degree programs are placed in the community colleges, because the community college already provides these programs at Brevard Community College, Daytona Beach Community College, Florida Community College at Jacksonville, Indian River Community College, and Palm Beach Community College.	• The state would still have a dual delivery system with adult general education and continuing workforce education programs in school districts, and the dual delivery system limits the potential savings possible if one system is responsible for all workforce programs (certificate, degree, adult education, and continuing workforce education). • While this option would eliminate the potential for duplication in adult certificate programs, the potential for duplication would still exist for adult general education programs. As with the Option 1, duplication is more likely to occur in less heavily populated regions than in high population regions where there is a high demand for both community college and the school district workforce programs. • Moving certificate and degree programs to community colleges is feasible in less heavily populated areas with few school district workforce programs, but it will be a major

Advantages	Disadvantages
	challenge in high population areas, such as Dade, Hillsborough, and Orange counties, where the school district programs serve large populations and have multiple vo-tech centers. • Community colleges will have to add more training sites to prevent limited access, especially in rural areas where students may have to travel further to participate in workforce training programs that were provided by school districts. • Consolidation of certificate programs under the community college system may cause disruption in programs. Recent experiences in consolidating programs within counties have resulted in lawsuits where school districts want compensation for equipment and facilities and school districts keeping facilities for its K-12 needs. Moving certificate programs to community colleges also strains relationships needed between the two systems, making it more difficult to develop joint programs that could reduce the program costs. • The Department of Education had difficulty determining the local taxpayer contributions (millage, bonds) to equipment and facilities when school districts requested assistance in determining appropriate compensation levels for certificate programs transferred to the community colleges • Moving certificate programs to community colleges will create staffing problems for school districts in which staff belong to unions that guarantee employment, and could result in job losses for school district faculty and staff.

Option 3 - Place All Adult Certificate Programs in the Community College System and Place All Adult General Education in School Districts

Advantages	Disadvantages
• Would provide one delivery system for workforce programs with credentials (certificates and degrees) • Would provide one delivery system for adult general education programs • School districts are already providing most of the adult general education programs so there would be less of an issue with facilities and equipment that the disadvantages described for Option 2. • Placing all adult education programs would be consistent with the mission of school districts since adult general education programs serve adults who do not have a high school diploma.	• Transferring equipment and facilities for certificate programs would create the same problems described in Option 2 above. • Job losses may occur at either community college and/or school districts for faculty and staff that do not want to transfer to another system. • Community college adult education labs also serve associate in arts students who need college prep classes. The college prep program supports Florida's open door policy and provides remedial training for students who do not qualify for placement into college-level courses. College prep courses provide an opportunity for the students to bring their academic skills to the appropriate level and proceed in the community college system.

Option 4 - Place All Adult Certificate and Adult General Education Programs in School Districts Leaving Community Colleges with Only College Credit Programs

Advantages	Disadvantages
• School districts provide more certificate programs than community colleges and moving the programs to school districts would be less costly in terms of staffing, equipment, and facilities. • School district students can transfer to some community college workforce programs because the *Florida Statutes* provide that the school district credits count as college credit when the student transfers to a the college credit workforce program.	• Students would have less access to programs because community colleges provide workforce programs in multiple locations throughout the state. • Students would have less access to upgraded facilities, equipment, and technology because community colleges have generally invested more than schools in upgrading programs. • The business community will still have two administrative entities providing workforce programs. • The same problems described in Option 2 in regard to (1) student access to programs, (2) transferring equipment and facilities, (3) difficulty in developing cooperative programs to serve local workforce regions, (4) determining appropriate levels of compensation for equipment and facilities, and (5) staffing problems and job losses.

Option 5 - Place All Workforce Education Programs (Adult Basic, Adult Certificate, College Credit Certificate, and Associate in Science Degree) in the Community College System

Advantages	Disadvantages
• Community colleges are postsecondary institutions while school districts primarily serve K-12 students, so this option is consistent with the primary mission of each system. • Facilities and equipment may improve. Some school district programs have outdated equipment and/or facilities in need of repair. Beginning in July 1997, with the creation of the Workforce Development Education Fund, the Legislature requires that school districts spend workforce funds only on postsecondary workforce education programs. Prior to that time, school districts could use funds generated by workforce programs for other purposes. Traditionally, school districts have placed a higher priority on K-12 programs, because they answer to local elected boards, and K-12 needs are frequently more acute than postsecondary workforce program needs for equipment and facilities.	• School districts provide more certificate programs and adult education programs than community colleges. The workforce system and the disadvantages described in Option 2 would multiply if all workforce programs were placed in the community college system, because schools districts currently provide most of the adult vocational certificate and adult general education programs.

Source: OPPAGA analysis of data obtained through interviews with state and local workforce program administrators and documents provided by these program administrators.

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Appendix A

Methodology

Student performance

To provide a more complete picture of the performance of the Workforce Development Education Program, we examined the cohort of all first-time-in-program students who entered a postsecondary public school technical center or community college workforce development education program in 1995-96. Data was received from both the community colleges and school districts. The 1995-96 cohort of students was chosen as to maximize the probability that the students would finish their programs and have at least four quarters of post-completion income to compare to their earnings prior to entrance. The 1995-96 cohort was the most recent group of entrants for which we could have enough post-completion data to analyze. Our analysis of student performance in the certificate and degree programs sought to assess

- student completion rates by delivery system, program, and demographics; and
- the effect of completion or non-completion on student earnings by delivery system, program, and demographics.

Student completion rate

Completion rates were calculated for students in both delivery systems. We determined the number of students who completed the program they entered in 1995-96 and the students who completed any workforce program. We compared completion rates for students in each of the degree and certificate programs and by delivery system.

Student earnings

Student earnings were examined in three ways. First, we determined the median post completion earnings for students in each of the degree and certificate programs. Second, for those where we had pre- and post-earnings data, we calculated the median earnings increases. We compared earnings and gains for program completers and individuals who did not obtain a degree or certificate. Finally, we compared performance by delivery system when they provided the same adult vocational certificate programs.

Adjusted average earnings

Many factors other than completing a workforce education program influence how much a person earns. For example, programs that attract people that have more work experience and higher wages prior to entering the program will appear to be more successful when comparing earnings after completing the program than programs that attract less experienced and skilled people. Also, people with certain demographic characteristics (e.g., age, sex, and race) tend to choose workforce education programs for certain occupations, occupations that determine whether their earnings after completing are higher or lower than average.

When comparing the performance of workforce education programs or delivery systems it is important to consider these other factors. Performance differences may be due to the types of people entering the programs and not to the program or delivery system. The best comparison would compare students with the same characteristics across each program or delivery system. To compare the performance of the programs and delivery systems we estimated the 1999-2000 earnings for the same hypothetical 'typical' person. The typical person was a 30-year-old white female in Miami-Dade who earned $5,826 in 1994-95. We used a statistical technique, least squares regression, to account for the effect of other factors (earnings prior to entering a program (1994-95), sex, age, race, and regional wage differences) on earnings (second, third and fourth quarter of 1999 and first quarter 2000). [29]

Statewide program performance

To evaluate statewide program performance, we analyzed the Department of Education's Florida Employment Training Placement Information Program (FETPIP) data on workforce programs provided for a seven-year time frame of 1992-93 to 1998-99. The Department of Education uses FETPIP data to evaluate relative performance of job training programs by comparing employment rates and earnings attained by program completers. Consistent with department performance measures, we evaluated the performance of workforce development programs by comparing employment rates and earnings attained by program completers.

We evaluated the performance of programs provided in 1998-99 based on the number of completers, employment rates for those completers, and earnings attained by completers. We evaluated statewide performance for seven years (1992-93 to 1998-99) to determine if program performance improved in recent years. For this analysis, we used the same criteria we used in previous OPPAGA reviews to identify poorly performing

[29] 2002-2003 Targeted Occupations Regional Adjusted Wages, 2001-02 Workforce Estimating Conference, February 22, 2001.

programs. If a workforce-training program met any of the criteria below, they were identified as poorly performing. [30]

- ***Five or fewer completers statewide.*** Costs for instruction, equipment, and facilities are such that providing five or fewer program completers in a year is a poor return on the funds invested in workforce training programs.
- ***Less than 50% of the completers employed.*** Workforce training programs designed to prepare individuals to enter the workforce should result in employment for program completers.
- ***Average wages less than $7.50 an hour.*** The Occupational Forecasting Conference established $7.50 an hour as the average wage level for occupations recommended for welfare-to-work participants. [31] A $7.50 an hour job pays $15,600 annually for full-time work, which is below the federal poverty threshold for a family of four, $17,029 in 1999. Wages below $7.50 an hour do not meet the workforce development system goal of enabling students to attain skills that allow them to become or to remain economically self-sufficient.

We examined the reasons for poor performance and identified reasons for changes in performance through (1) interviews with Department of Education staff, (2) interviews with local school district and community college staff, and (3) reviews of prior OPPAGA evaluations of performance-based funding initiative implemented in the workforce development system. We also compared performance of community colleges and school districts to determine if either system was achieving better program performance in serving the local workforce regions.

Business community opinions

Participants for our telephone survey of businesses were drawn from a systematic sample of businesses listed in the Florida Department of Labor and Employment Security, and the Florida Employment Training Placement Information Program data. We contacted 418 businesses and conducted telephone surveys with 97, resulting in a response rate of 23%. Businesses surveyed were located in eight of the nine Regional Workforce Development regions where site visits were conducted with community college and school board administrators.

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[30] OPPAGA used similar criteria in the *Program Evaluation and Justification Review of Florida's Community College System*, Report No. 98-08A, and for the *Review of Postsecondary Vocational Programs*, Report No. 95-25, January 1996.

[31] Because of actions taken by the 2000 Legislature, the Occupational Forecasting Conference is now called the Workforce Estimating Conference. The conference now meets twice annually to identify high-skills/high-wages occupations and establish the minimum occupations approved for the welfare-to-work initiative. A $7.50 minimum average entry level wages was in effect through Fiscal Year 1999-2000 for the welfare-to-work initiative.

We surveyed the executive directors of the 24 boards in an effort to determine if the workforce development system is preparing students for occupations that are most needed by Florida's business community. The survey results also aided in assessing the relationship between the 24 workforce development boards and the local vo-tech centers, community colleges, and local businesses. The executive directors were contacted by phone and given the choice of responding by phone, fax, mail, or e-mail. All but one executive director responded to the survey. [32]

Performance-based funding formula

To evaluate the effect of the performance-based funding formula on the workforce development system, we analyzed performance data provided by the Department of Education's Workforce Education and Outcome Information Services office. [33] We reviewed performance under the funding formula for the community colleges and school districts that provide workforce development education programs. We also conducted interviews with Department of Education program administrators and administrators of community colleges and school district workforce development education programs to obtain their opinions of how the funding formula works and to obtain information on program changes made as a result of implementing the formula.

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[32] We interviewed administrators in nine of the 24 regions (Regions 1, 5, 8, 12, 14, 15, 20, 21, and 23). Businesses were not surveyed in region 20. See Appendix B pages 64-65 for the location of the workforce development regions and counties in each region.

[33] The Workforce Education and Outcome Information Services Office is responsible for collecting performance data from local community colleges and school districts and developing recommended allocations under the performance funding formula. The Legislature uses this information to determine funding levels for local workforce development programs.

Appendix B

Community Colleges and Vo-Tech Centers in Each Workforce Development Region

Region 1 - Escambia and Santa Rosa Counties
- George Stone Area Vocational Technical Center
- Pensacola Junior College
- Radford M. Locklin Technical Center

Region 2 - Okaloosa and Walton Counties
- Okaloosa Applied Technology Center
- Okaloosa-Walton Community College

Region 3 - Calhoun, Holmes, Jackson, Liberty, and Washington Counties
- Chipola Junior College
- Washington-Holmes Technical Center

Region 4 - Bay, Franklin, and Gulf Counties
- Gulf Coast Community College
- Thomas P. Haney Area Vocational Technical Center

Region 5 - Gadsden, Leon, and Wakulla Counties
- Lively Vocational-Technical Center
- Tallahassee Community College

Region 6- Hamilton, Jefferson, Lafayette, Madison, Suwannee, and Taylor Counties
- North Florida Junior College
- Suwannee-Hamilton Area Vo-Tech and Adult Center
- Taylor Technical Institute

Region 7 - Columbia, Dixie, Gilchrist, and Union Counties
- Lake City Community College

Region 8 - Baker, Clay, Duval, Nassau, Putnam, and St. Johns Counties
- First Coast Technical Institute
- Florida Community College at Jacksonville
- St. Johns River Community College

Region 9 - Alachua and Bradford Counties
- Bradford-Union Area Vocational Tech. Center
- Santa Fe Community College

Region 10 - Citrus, Levy, and Marion Counties
- Central Florida Community College
- Withlachoochee Technical Institute

Region 11 - Flagler and Volusia Counties
- Daytona Beach Community College

Region 12 - Orange, Osceola, Seminole, Lake, and Sumter Counties
- Lake Technical Center and Institute of Public Safety
- Lake-Sumter Community College
- Orlando Tech
- Osceola Technical Education Center
- OTEC-Mid-Florida Tech
- Seminole Community College
- Valencia Community College
- Westside Tech
- Winter Park Tech

Region 13 - Brevard County
- Brevard Community College

Region 14 - Pinellas County
- Pinellas Technical Education Center 1
- Pinellas Technical Education Center 2
- Pinellas Technical Education Center 3
- St. Petersburg Junior College
- Tomlinson Adult Learning Center

Region 15 - Hillsborough County
- Brewster Technical Center
- Erwin Tech Center
- Hillsborough Community College
- Learey Technical Center
- Tampa Bay Area Vocational-Technical Center

Region 16 - Hernando and Pasco Counties
- Marchman Educational Center
- Pasco-Hernando Community College

Region 17 - Polk County
- Applied Technology Education Center
- Maynard A. Traviss Technical Center
- Polk Community College
- Ridge Technical Center

Region 18 - Manatee and Sarasota Counties
- Manatee Area Vocational Technical Center
- Manatee Community College
- Sarasota County Technical Institute

Region 19 - DeSoto, Hardee, and Highlands Counties
- South Florida Community College

Region 20 - Indian River, Martin, Okeechobee, and St. Lucie Counties
- Indian River Community College

Region 21 - Palm Beach County [1]
- Palm Beach Community College

Region 22 - Broward County
- Atlantic Vocational Technical Center
- Broward Community College
- Sheridan Vocational Technical Center
- William T. McFatter Vocational Technical

Region 23 - Dade and Monroe Counties
- Florida Keys Community College
- Lindsey-Hopkins Technical Education Center
- Miami Lakes Technical Education Center
- Miami-Dade Community College
- Robert Morgan Vocational Technical Institute

Region 24 - Charlotte, Collier, Glades, Hendry, and Lee Counties
- Charlotte County Vocational Technical Center
- Edison Community College
- Lee County High Tech Center (North)
- Lee County High/Vocational Technical Center
- Lorenzo Walker Institute of Technology

[1] The Palm Beach County School District workforce development programs were transferred to the community college beginning July 1, 1999. Prior to that time Palm Beach County had three vo-tech centers.

Source: Department of Education.

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Appendix C

Exit Points Within Programs

Occupational completion points

An occupational completion point (OCP) represents an exit point within a program in which a student has the skills necessary to enter the labor market. In 2000-01, most of the adult vocational certificate programs had one or several OCPs associated with program completion. The Department of Education, Division of Workforce Development, provides a complete listing of OCPs in Appendix S (page 527) of the *2000-01 District Workforce Development Information System Data Base Handbook at* http://www.firn.edu/doe/bin00078/sec/sec.htm.

A student may complete one or several OCPs and enter the workforce or opt to complete the entire program before entering the workforce. Typically, entry-level earnings are higher for students who complete all OCPs associated with program completion than for students who enter the job market with OCPs. A student who exits after completing an OCP may return at any time to complete additional OCPs or to complete all the OCPs associated with program completion. Two examples of OCPs associated with program completion are shown below.

Advanced Automotive Technology

- Automotive Lube Technician
- Automotive Maintenance Technician
- Engine Repair Technician
- Automatic Transmission and Transaxle Technician
- Manual Drivetrain and Axle Technician
- Automotive Suspension and Steering Technician
- Automotive Brake System Technician
- Automotive Electrical/Electronic System Technician
- Automotive Heating and Air Conditioning Technician
- Automotive Engine Performance Technician

Patient Care Technician

- Nurse Aide and Orderly
- Home Health Aide
- Patient Care Assistant
- Electrocardiograph Aide
- Phlebotomist

- Allied Health Assistant
- Patient Care Technician

In some instances, an OCP is associated with completion of more than one program. In the examples below, a student can complete two OCPs to partially satisfy the requirements for completing either completion. The student then selects the third OCP depending upon whether a certificate is desired for the landscape operations or the sports and recreational turf operations program.

Landscape Operations

- Landscape Specialist
- Gardener and Groundskeeper
- Landscape Gardener

Sports and Recreational Turf Operations

- Landscape Specialist
- Gardener and Groundskeeper
- Greenskeeper

Literacy completion points

Literacy completion points (LCPs) represent the attainment of academic or workforce readiness skills leading to the continuation of basic education, vocational education, or employment. Adult education programs are designed to improve employability skills of adults by providing basic literacy (0 to grade 8.9) programs, general education (grades 9 to 12) programs, English language courses, and vocational preparatory courses, such as resume' preparation and interviewing skills. Students participate in classroom settings and/or use computer-assisted training to obtain skills in mathematics, reading, and language skills and are tested at regular intervals to determine the level of competencies achieved. LCPs are awarded in adult basic education, adult general education, adult high school, General Educational Development, and English for Speakers of Other Languages programs. See Table C-1 for the LCPs completed by students in adult basic education programs. The Department of Education has developed similar OCPs for other adult education programs. Further information on LCPs may be obtained by accessing the Adult Education Section of the Division of Workforce Development.

Table C-1
Adult Basic Education Course Matrix

Course and Functioning Level	Literacy Completion Points
Mathematics	
Basic Literacy	LCP-A 0.0—1.9
Beginning Literacy	LCP-B 2.0—3.9
Intermediate Literacy	LCP-C 4.0—5.9
Functional Literacy	LCP-D 6.0—8.9
Reading	
Basic Literacy	LCP-E 0.0—1.9
Beginning Literacy	LCP-F 2.0—3.9
Intermediate Literacy	LCP-G 4.0—5.9
Functional Literacy	LCP-H 6.0—8.9
Language	
Basic Literacy	LCP-J 0.0—1.9
Beginning Literacy	LCP-K 2.0—3.9
Intermediate Literacy	LCP-M 4.0—5.9
Functional Literacy	LCP-N 6.0—8.9

Source: Division of Workforce Development, Department of Education.

Appendix D

Programs in 1998-99 with Fewer Than Five Completers Statewide

DOE Course No.	Program Type and Program Title
Community College Associate in Science Degree Programs	
208030100	Academy of Entrepreneurship
647060800	Aircraft Power Plant Mechanics
743010903	Bail Bonding
648079901	Boatbuilding-Wood and Fabricated Technology
648020300	Commercial Art Technology
743019900	Criminal Justice Assisting
208070600	Customer Service Representative
420040403	Dietetic Management and Supervision
646050202	Fire Sprinkler System Technology
615040400	Instrumentation Technology
2089999sp	Marketing
648010391	Missing Program Title[1]
101060610	Nursery Operations
648020100	Printing and Graphic Arts
318110600	Psychiatric Technology
647010601	Residential Appliance and Refrigeration
610010403	Television Production
647060301	Tractor and Trailer Body Repair And Refinishing
Community College Credit Certificate Programs	
317021201	Diagnostic Medical Sonography Specialist
102040801	Missing Program Title[1]
317020903	Radiation Therapy Specialist
Community College Adult Certificate Programs	
208030100	Academy of Entrepreneurship
647060800	Aircraft Power Plant Mechanics
743010903	Bail Bonding
648079901	Boatbuilding-Wood and Fabricated Technology
648020300	Commercial Art Technology
743019900	Criminal Justice Assisting
208070600	Customer Service Representative
420040403	Dietetic Management and Supervision
646050202	Fire Sprinkler System Technology
615040400	Instrumentation Technology
2089999sp	Marketing
648010391	Missing Program Title[1]
101060610	Nursery Operations
648020100	Printing and Graphic Arts
318110600	Psychiatric Technology
647010601	Residential Appliance and Refrigeration
610010403	Television Production
647060301	Tractor and Trailer Body Repair And Refinishing

DOE Course No.	Program Type and Program Title
School District Adult Vocational Certificate Programs	
V200307	Alterationist
A010312	Animal Science and Services
I480313	Automotive Upholstery and Trim
M618020	Business Ownership
P439991	Community Service Officer/Police Service
I463113	Concrete Masonry
V200314	Custom Garment Making/Tailoring
I120101	Dry Cleaning and Laundering
I480114	Electrical Drafting
I480115	Electronic Drafting
M801020	Fashion Marketing
V200302	Fashion Production
P430206	Fire Officer
A010603	Floriculture
I470302	Heavy Equipment Mechanics
C200101	Home and Family Management
I470105	Industrial Electronics
M510012	Life Insurance Marketing
I150606	Optical Technology
I460409	Plastering
I480504	Precision Metal Fabrication
I460410	Roofing

[1]The Department of Education staff did not provide the title for this program.

Source: OPPAGA staff analysis of Department of Education data on program performance.

Appendix E

Performance-Based Funding Versus Basic Program Funding for Community College and School District Workforce Programs Fiscal Year 2000-01

Local Workforce Education Program Provider	Funding Award Based on Performance Outcomes[1]	Total Funding Award	Percentage of Funding Based on Performance
Community Colleges Allocations			
Brevard Community College	$ 2,016,890	$ 12,136,161	16.6%
Broward Community College	3,220,646	17,585,685	18.3%
Central Florida Community College	1,290,991	7,407,578	17.4%
Chipola Junior College	600,627	3,080,851	19.5%
Daytona Beach Community College	3,015,447	19,985,853	15.1%
Edison Community College	804,657	4,475,665	18.0%
Florida Community College At Jacksonville	5,933,145	39,316,102	15.1%
Florida Keys Community College	262,575	2,118,383	12.4%
Gulf Coast Community College	862,552	6,261,792	13.8%
Hillsborough Community College	1,785,590	10,858,855	16.4%
Indian River Community College	3,209,421	19,711,217	16.3%
Lake City Community College	1,137,723	6,784,921	16.8%
Lake-Sumter Community College	249,361	1,600,464	15.6%
Manatee Community College	690,649	4,651,416	14.8%
Miami-Dade Community College	4,757,270	33,109,399	14.4%
North Florida Junior College	552,397	2,370,324	23.3%
Okaloosa-Walton Community College	790,155	4,632,488	17.1%
Palm Beach Community College	3,566,680	23,366,256	15.3%
Pasco-Hernando Community College	1,272,027	6,165,265	20.6%
Pensacola Junior College	2,510,458	14,270,623	17.6%
Polk Community College	782,327	4,779,895	16.4%
St. Johns River Community College	517,391	2,569,589	20.1%
St. Petersburg Junior College	2,112,540	14,225,801	14.9%
Santa Fe Community College	2,026,320	12,474,625	16.2%
Seminole Community College	2,962,957	15,980,416	18.5%
South Florida Community College	1,235,602	7,125,433	17.3%
Tallahassee Community College	742,681	3,873,155	19.2%
Valencia Community College	2,134,717	11,878,826	18.1%
All Community Colleges	$51,043,796	$312,706,037	16.3%

Local Workforce Education Program Provider	Funding Award Based on Performance Outcomes[1]	Total Funding Award	Percentage of Funding Based on Performance
School Districts Allocations			
Alachua County	$ 356,978	$ 1,366,025	26.1%
Baker County	68,418	164,443	41.6%
Bay County	694,756	3,469,960	20.0%
Bradford County	241,650	887,951	27.2%
Brevard County	700,557	2,798,184	25.0%
Broward County	8,082,322	72,459,887	11.2%
Calhoun County	40,801	162,195	25.2%
Charlotte County	554,740	2,791,862	19.9%
Citrus County	546,390	2,667,281	20.5%
Clay County	255,736	619,263	41.3%
Collier County	878,699	7,321,979	12.0%
Columbia County	141,232	311,691	45.3%
DeSoto County	195,900	859,391	22.8%
Dixie County	13,151	36,345	36.2%
Duval County	0	0	
Escambia County	978,619	5,322,278	18.4%
Flagler County	481,769	2,924,379	16.5%
Franklin County	8,100	54,696	14.8%
Gadsden County	95,014	644,854	14.7%
Gilchrist County	0	4,281	0.0%
Glades County	689	8,154	8.4%
Gulf County	19,281	163,714	11.8%
Hamilton County	28,974	78,037	37.1%
Hardee County	51,852	317,831	16.3%
Hendry County	59,412	383,039	15.5%
Hernando County	133,606	507,534	26.3%
Highlands County	0	0	
Hillsborough County	5,830,989	31,191,469	18.7%
Holmes County	0	0	
Indian River County	162,174	690,875	23.5%
Jackson County	106,182	591,858	17.9%
Jefferson County	15,252	205,326	7.4%
Lafayette County	20,207	50,024	40.4%
Lake County	880,511	4,533,063	19.4%
Lee County	1,727,459	11,317,116	15.3%
Leon County	793,853	6,312,937	12.6%
Levy County	0	0	
Liberty County	8,014	12,012	66.7%
Madison County	0	0	
Manatee County	1,154,209	5,916,999	19.5%
Marion County	543,825	2,714,575	20.0%
Martin County	276,431	2,471,799	11.2%

Appendix E

Local Workforce Education Program Provider	Funding Award Based on Performance Outcomes[1]	Total Funding Award	Percentage of Funding Based on Performance
Miami-Dade County	$ 13,985,618	$107,122,464	13.1%
Monroe County	136,597	697,941	19.6%
Nassau County	66,350	385,853	17.2%
Okaloosa County	351,849	2,734,503	12.9%
Okeechobee County	0	0	
Orange County	5,593,916	35,700,508	15.7%
Osceola County	664,696	4,559,676	14.6%
Palm Beach County	1,868,389	15,838,083	11.8%
Pasco County	721,865	3,525,684	20.5%
Pinellas County	5,463,444	26,383,352	20.7%
Polk County	1,613,850	12,116,381	13.3%
Putnam County	184,510	349,134	52.8%
St. Johns County	913,941	6,515,855	14.0%
St. Lucie County	0	0	
Santa Rosa County	386,391	1,819,645	21.2%
Sarasota County	1,150,633	10,528,204	10.9%
Seminole County	0	0	
Sumter County	52,433	204,766	25.6%
Suwannee County	238,741	976,767	24.4%
Taylor County	264,265	1,262,593	20.9%
Union County	68,246	157,211	43.4%
Volusia County	0	0	
Wakulla County	37,086	266,266	13.9%
Walton County	11,619	81,801	14.2%
Washington County	641,774	3,454,301	18.6%
Washington County Special		11,081	
All School Districts	$ 60,563,965	$407,025,896	14.9%
Workforce Program Funds for Local Workforce Development Programs[2]	$111,607,761	$719,731,433	15.5%

[1] Fifteen percent of the funding for community colleges and school districts workforce development programs is awarded based on performance outcomes (program completions and average earnings of program completers). Chapter 3 of this report describes performance-based funding and discusses reasons for differences in the performance funds earned by community colleges and school districts.

[2] The 2000 Legislature also provided $18.8 million for the Critical Jobs Initiatives to assist community colleges and school districts in funding costs associated with providing programs to meet local workforce development needs.

Source: Department of Education and Ch. 2000-166, *Laws of Florida*.

Appendix F

Comparison of Community College and School District Adult Certificate Program Performance Within Workforce Development Regions

Workforce Development Regions (Number and Counties)	Number of Programs		Number of Completers		Average Completers per Program		Average Wages ($) per Program	
	Community Colleges	School Districts	Community Colleges	School Districts	Community Colleges	School Districts	Community Colleges	School Districts
1 Escambia and Santa Rosa	12	68	267	743	22	11	$4,650	$4,961
2 Okaloosa and Walton	9	27	294	395	33	15	5,072	5,306
3 Calhoun, Holmes, Jackson, Liberty, and Washington	9	69	317	750	35	11	6,566	5,073
4 Bay, Franklin and Gulf	4	30	228	244	57	8	5,478	5,222
5 Gadsden, Leon, and Wakulla	2	61	36	744	18	12	4,194	5,638
6 Hamilton, Jefferson, Lafayette, Madison, Suwannee, and Taylor	7	45	307	296	44	7	5,259	5,653
7 Columbia, Dixie, Gilchrist, and Union	6	1	543	12	91	12	5,477	4,582
8 Baker, Clay, Duval, Nassau, Putnam, and St. Johns	47	70	1,204	1,223	26	17	7,438	5,877
9 Alachua and Bradford	11	16	238	258	22	16	5,895	4,928
10 Citrus, Levy, and Marion	15	48	381	962	25	20	5,974	5,356
11 Flagler and Volusia	22	16	651	325	30	20	5,889	5,800
12 Orange, Osceola, Seminole, Lake, and Sumter	29	390	1,030	4,241	36	11	7,194	5,924
13 Brevard[1]	30		607		20		5,996	
14 Pinellas	2	155	186	3,087	93	20	9,417	5,679
15 Hillsborough	7	136	1086	3,038	155	22	7,934	5,861
16 Hernando and Pasco	12	26	305	134	25	5	5,866	4,278
17 Polk	3	55	175	948	58	17	7,331	5,636
18 Manatee and Sarasota[2]		113		1,430		13		6,164
19 DeSoto, Hardee, and Highlands	19	7	475	110	25	16	5,639	5,577
20 Indian River, Martin, Okeechobee, and St. Lucie	16	22	614	385	38	18	6,561	5,040
21 Palm Beach	11	194	286	1,829	26	9	7,945	5,862
22 Broward	5	269	70	3,799	14	14	7,328	6,068
23 Dade and Monroe	34	307	803	3,173	24	10	7,260	6,238
24 Charlotte, Collier, Glades, Hendry, and Lee[2]		171		2,211		13		5,616
All Regions	312	2,125	10,103	28,126	32	13	$6,502	$5,799

[1] In Region 13, the community college provides all adult certificate programs.

[2] In Regions 18 and 24, the school districts provide all the adult certificate programs.

Source: OPPAGA analysis of 1998-99 community college and school district performance data provided by the Department of Education's Florida Employment Training Placement Information Program.

Appendix G

Performance-Based Funding Formula Process

1. Designate Funding Amounts	Funding amounts are designated for four funding categories. The total state Workforce Development Education Fund is divided as shown below. ▪ Vocational Certificates - 37% ▪ Adult General Education - 37% ▪ Associate in Science - 26% ▪ Continuing Workforce Education—funds are not allocated based on performance.
2. Establish Statewide Performance Amount	The statewide performance amount is determined by calculating 15% from each of the vocational certificate, adult general education, and associate in science funding categories. The Continuing Workforce Education Program is not funded on performance, so this category is not included in this calculation.
3. Calculate Points	The institutions are rewarded from the total number of completion and placement points generated. Completion Points. The total number of completions in each institution is counted. The total is multiplied by weights for targeted populations, and weights for program length. The resulting number is the total number of completion points statewide. Placement Points. The total number of placements in each institution is counted. This total is multiplied by weights for established placement levels. The resulting number is the total number of placement points statewide.
4. Calculate Total Points	The completion points and placements points are added to determine the total number of points for each funding category.
5. Calculate Price Per Point	The price per point is determined by dividing the performance amount for each funding category by its total number of points.
6. Calculate Performance Amount Earned	For each community college or school district, the price per point is multiplied by the points earned for each category.
7. Calculate Totals for Funding Categories	Each community college or school district adds the performance amount earned to the base amount (85% of the prior year appropriation) to determined the total for each funding category.
8. Calculate Total Workforce Allocation	Finally, the total workforce allocation for each community college or school district is determined by adding the fund category totals to the continuing workforce amount.

Source: Division of Workforce Development, Florida Department of Education.

Appendix H

Weights Used in the Workforce Development Education Performance-Based Funding Formula

Weights shown below were assigned to occupational completion points for the vocational certificate program in 1999-2000.

Standard Program Length (Hours)	Weight
24-450	1.5
451-900	3.0
901-1,350	4.5
1,351-2,850	6.0

Weights were assigned to placements for the vocational certificate and associate in science programs in 1999-2000.

Level	Weight	
1	2.5	(Any employment or education not in Levels 2 or 3)
2	5.0	(Employment in high-skills/high-wage jobs at $7.50/hour or college credit education)
3	10.0	(Employment in high-skills/high-wage occupation at $9 or more)

Weights for Targeted Populations	
Economically Disadvantaged	2.0
WAGES	3.0
Disabled	4.0
Dislocated Worker	1.0
ESOL	1.5
Disabled/ESOL	4.0
Economically Disadvantaged/Disabled	4.0
Economically Disadvantaged/Disabled/ESOL	4.0

Source: Division of Workforce Development, Florida Department of Education.

Appendix I

Performance-Based Funding Processes Used by Other States

State	The Performance-Based Funding Process	Performance Measures Used	Performance Level Expectations	How Competition of Funds is Established
Florida	Starting in 1999-2000, institutions received a base allocation of 85% of prior year total allocation, with institutions competing for the remaining 15% performance funds.	Performance outputs in the form of completions and outcomes in the form of placements	Increased number of students for which institutions receive completion and placement credit in targeted programs (those programs on the high-skills/high-wage list created by the Occupational Forecasting Conference)	Institutions compete against each other for the 15% performance funds based on improvement of completions and placements.
Washington	The 1997-99 Legislature withheld 1% of the system budget for each college to earn back through improved performance.	• Level of student preparedness to transfer to four-year institution • Gain in basic competency skills, measured by testing • Level of student preparedness to be placed in skilled labor force, measured by vocational degrees and certificates awarded	Legislature expected improved performance in all areas.	Since the Legislature set aside dollars for each college, they do not compete against each other, but relative to their own past performance.
Illinois	Performance-based incentive system. The 1999-2000 budget provides nearly $1.5 million in incentive funding with more funds requested in future years. Institutions rewarded for high performance/ improvement.	Student satisfaction in quality of instruction • Student educational advancement • Student attainment of workforce/ business and industry goals • Number of students transferring to four-year institutions	Focus is on teaching and learning. Institutions are rewarded on high achievement and improvement in these areas.	Colleges compete against themselves. Unearned funds are allocated on a competitive grant basis to institutions for projects designed to improve teaching/learning or data collection.

State	The Performance-Based Funding Process	Performance Measures Used	Performance Level Expectations	How Competition of Funds is Established
South Carolina	1999-2000 - full implementation of performance-based funding for all of higher education. Allocation process rewards high performance and provides disincentives for poor performance.	Measures are developed for: • Mission focus • Quality of faculty • Instructional quality • Administrative efficiency • Entrance requirements • Graduates' achievements (to include employment rate) • User-friendliness of institution	Expected level of performance is compliance with the indicators (Exceeds, Achieves, Does not Achieve). Individual institutions are allowed to set benchmarks for some indicators. These are subject to approval.	Colleges compete against standards or benchmarks. Since system is new, it is expected that there will be shifts in allocations based on outcomes.
California	1998 Partnership for Excellence (PFE) provides approximately 3% above base budget to improve performance goals and overall student learning and success. Performance-Based Accountability (PBA), 1998, provided a framework for performance reporting as opposed to funding.	PFE: • Increase in number of businesses benefiting from training • Increase in number of students transferring to four-year colleges • Increase in number of successful course completions • Increase in the number of degrees and certificates PBA: • Rate of employment • Length of employment retention • Earnings before and after program participation	Under PFE, each institution is expected to improve performance under specific state-level targets. Under PBA, institutions are expected to achieve a minimum standard and use data in a continuous effort to improve performance.	Since funds are allocated irrespective of performance, there is no competition for funds.

Source: American Association of Community Colleges.

Appendix J

Responses from the Department of Education and the Florida Community College System

In accordance with the provisions of s. 11.45(7)(d), *Florida Statutes*, a draft of our report was submitted to the Commissioner of Education and the Interim Chancellor of the Florida Community College System to review and respond.

Both written responses are reprinted herein beginning on page 79.

FLORIDA DEPARTMENT OF EDUCATION

CHARLIE CRIST
COMMISSIONER

October 22, 2001

Mr. John W. Turcotte, Director
Office of Program Policy Analysis and
Government Accountability
111 West Madison Street, Room 312
Claude Pepper Building
Tallahassee, FL 32399-1475

Dear Mr. Turcotte:

The Department of Education is appreciative of the hard work and thoroughness of the Program Review of the Workforce Development Education Program. Attached is the Department's official response to this program review.

If you need additional information, please feel free to contact Loretta Costin, Division Director, Division of Workforce Development.

Sincerely,

/s/
Charlie Crist

LC:lh

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Department of Education Response to OPPAGA Program Review on the Workforce Development Education Fund

The Department of Education is appreciative of the hard work and thoroughness of the OPPAGA staff in compiling and analyzing the information contained in this report. The Department applauds OPPAGA on evaluating the funding formula and on outlining the pros and cons of the different options related to governance of workforce development education and the impact of implementing the various models. The Department:

- Strongly supports the recommendation to implement a standard price per point for the funding formula. This will help provide consistency in performance awards over time and ensure that school districts and community colleges that improve performance are rewarded. The "zero-sum" effect of the formula was not part of the design of the formula, but was an unexpected consequence of limited fiscal resources.

- Has a concern about the recommendations with regard to low completions. Since the Workforce Development Education Fund is based on performance, the fund has a "built-in" self-regulating mechanism. If districts or colleges are running programs with only a few completions, there is probably a local need for the program. If not, they are placing the opportunity for future performance funding at jeopardy.

- Believes that recommendations with regard to a more timely process for identifying new and emerging occupations be directed to the Workforce Estimating Conference. The requirements, goals, and membership for this Conference were modified in 2000 to meet this goal.

J. David Armstrong, Jr.
Interim Chancellor
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FLORIDA COMMUNITY COLLEGE SYSTEM

PUTTING MINDS TO WORK

September 28, 2001

Mr. John W. Turcotte
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Office of Program Policy Analysis
and Government Accountability
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Charlie Crist

Dear Mr. Turcotte:

This is in response to the draft of the OPPAGA program review "Workforce Development Education Program," June 2001, delivered to my office last week. In this letter, I make mention and refer to tables and exhibits in your previous letter of June 7, requesting comments on the program review.

First, let me commend your staff for their work on this complex issue. The breadth and depth of their examination encompassing student performance, program performance, business satisfaction, performance-based funding and governance will be of value to both policy makers and program managers in shaping the future of workforce development in Florida.

I have one point of clarification, which I believe will assist the reader in understanding student performance and program performance in workforce development.

Program Performance:

There are references made to programs with less than five completers. It would be informative to point out that programs with less than five completers are only being offered at one or two institutions, as opposed to broad offerings throughout the entire system. Many of these programs "remain on the books" because students are continuing in the program, even though no new enrollments are being accepted. The colleges honor their contract with the students to allow them to finish their program once they are enrolled; terminating the program would constitute a violation of that trust. Brand new programs may also reflect a small number of completers due to the part-time

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nature of today's students. A more exacting evaluative question would be "how many programs that continue to accept new enrollments have fewer than five completers?" With this approach, we would be assured that the programs identified are indeed active operating programs, as opposed to programs in transition. If our programs are to continue to be responsive to the needs of business and industry, there necessarily must be programs in transition. If Exhibit 16 were to reflect no site-specific programs with less than five completers, it would indeed be cause for concern, as our delivery system would have grown stagnant.

Finally, with regard to governance models for the workforce system, about the only consensus you will find, is that no one would design a system in this way. It has evolved over the years through a series of political decisions that have diffused ownership and commitment on the part of school districts and community colleges. The funding history of the last five years alone should be sufficient to prompt a new model.

The workforce development system in Florida is a model for the nation and has performed admirably with very little infusion of resources (less than 0.5% per year over five years). Lack of funding is beginning to take its toll to the detriment of our state's workforce. Clarification of governance and mission are key to workforce development receiving the priority that it warrants.

Again, I appreciate the opportunity to respond to the fine work of you and your staff. Please contact Dr. Lanny Larson, of my staff, at 488-1721, extension 161, if you have any questions in this regard.

Sincerely,

/s/
David Armstrong, Jr.
Interim Chancellor

JDA/lld

This office provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision making, to ensure government accountability, and to recommend the best use of public resources.